Sustainable Marketing and Customer Retention in the Food and Beverage Firms in Nigeria

Godday, Raymond Luke¹ and Owuso, Stephen. M²

¹Department of Marketing, Niger Delta University, Wilberforce Island, Bayelsa State | Email: raymondluke99@gmail.com
²Department of Marketing, Rivers State University, Port Harcourt | Email: Stephen.owuso@gmail.com

Abstract: The purpose of the study was to examine the effect of sustainable marketing and customer retention in the Nigerian food and beverage firms. The study adopted the cross-sectional survey research design. The population of this study consists of the customers of the food and beverage firms in Nigeria. Imposing an infinite population, a sample size of 384 was used for the study we relied on Krejche and Morgan (1970). Only 294 questionnaires were returned, useful which represented 76.4% of the total questionnaires distributed. The hypotheses were tested using the multiple regression with the aid of the Statistical Tool for Social Science (SPSS version 22). The study revealed that there is a significant relationship between sustainable marketing and customer retention in the food and beverage firms in Nigeria.

Keywords: Sustainable marketing, Customer Retention, Green Marketing, Social Marketing, Repeat Purchase, Customer Commitment

Introduction

Customer retention is the key to healthy business growth. Loyalty can help the business to retain most valuable customers. Loyalty reflects relationship development and retention reflects relationship continuity. Customer retention is a crucial component of customer relationship. Scholars are in consensus that “customer retention is important to most companies because the cost of acquiring a new customer is greater than the cost of maintaining a relationship with a current customer” (Sima & Elham, 2015; Singh & Imran, 2012). Others argues that the main aspect of customer retention is the emotions evoked by the customer experience combined with the organization’s strong reputation. As Emery (2012) puts it “sustainability issues are modifying the relationship between business organizations and the business environment they exist in. The relationship between the business organization and the consumer is also changing and the sustainable marketer needs to learn how to address these situations in order to be successful.

According to Heck and Yidan (2013) Consumers choose the product based on the available information. Sustainable marketing plays significant role in strengthening awareness about society. Evidences suggest that consumers are willing to pay premium when they realize
importance of sustainable products and services. There is no gainsaying the fact that the food and beverages (F&B) manufacturing firms are the bedrock of the development of nations a positioned established by scholars such as Akpan, Ikon, Chukwunonye and Nneka (2016). On his part Okere (2012) posits that (F&B) are the primary producers of consumer goods as well as beverages in Nigeria and probably the largest sub-sector of the Nigerian manufacturing sector on the Nigerian Stock Exchange. While, Osundina (2014) is of the view that the industry is a growing and powerful subsector of the Nigerian manufacturing industry within which there is fierce competition (KPMG, 2014, 2015). Food and beverage firms are characterized by several features that shape the innovation process: long production cycles, slow growth, food safety, high regulation and technological convergence (Boehlje et al., 2009).

Problem Statement
The twenty first century witnessed an avalanche of environmental challenges such as resource conservation, climate changes and global warming, which are directly related off shoots of served business practices that have a detrimental impact on economy, environment and society. As mentioned by Emery (2012) sustainability seems be a latterly issue, but it has been discussed for many years, the background of sustainable marketing is numerous. Sustainable marketing is a kind of marketing that builds long-lasting customer relationships effectively - without any particular reference to sustainable development or consideration of sustainability issues. Social and Green Marketing are connected to Sustainable Marketing. The exploration and search about these themes are a little scarce, but its importance has grown fast thus, this study seeks to examine the nexus between sustainable marketing and customer retention in the food and beverage firms in Nigeria.

Purpose of the study
To examine the nexus between sustainability marketing and customer retention in food and beverage firms in the Nigerian. Other sub-objectives include:

  I. To determine the nexus between green marketing and customer retention
  II. To ascertain the nexus between social marketing and customer retention

Study Variable and Research Framework
Study variable unveils the direction of the research work they serve as the skeletal structure upon which the entire work is built upon. This study has two major variable sustainable marketing which is the predictor variable with green marketing and social marketing as dimensions. While, customer retention as the criterion variable with repeat purchase and customer commitment as measures is depicted below in the diagram
Literature Review

Theoretical foundation

This study is anchored on the commitment-trust theory as propounded by Morgan and Hunt (1994). The theory stipulates that relationship commitment and trust are essential to creating and maintaining long-term RM a position that has been supported by Brown et al. (2018). The key component of this theory is trust, because relationship commitment is premised on trust. Scholars agree of the centrality of trust which they considered as a lubricant for social interactions and commercial interactions between parties (Hobbs & Goddard, 2015; Ndubisi, 2007; Chen et al., 2015). the definitions of trust above posit the acceptance of vulnerability by a party as an enabler of trust. This vulnerability applies particularly to the purchase of energy-efficiency products, a situation in which the customer is in a weak position due to their limited ability to authenticate the energy rating displayed on the energy efficiency label (Atkinson & Rosenthal, 2014; Darnall et al., 2018). Given that the environmental features of a product are not as tangible as other attributes such packaging, shape or taste, appraising environmental claims is often a challenge for customers, sometimes even after using the product (Darnall et al., 2018; Taufique et al., 2017). In such a purchase situation, the buyer has no choice but to trust the environmental claims displayed by the seller

Concept of Sustainable Marketing

Emery (2012) described sustainable marketing as “a holistic approach whose aim is to ensure that marketing strategies and tactics are specifically designed to secure a socially equitable, environmentally friendly and economically fair and viable business for the benefit of current and future generations of customers, employees and society as a whole.” The emphasis of this definition is on creating and sustaining a healthy, equitable and economical viable society without depleting the ecosystem. Gordon et al. (2011) divides SM in Green Marketing, Social Marketing and Critical Marketing. The main focus of this thesis will be Green Marketing and Social Marketing and as a complement of this theme, Corporate Social Responsibility will be linked to the main focus, as well as branding and consumer’s behavior
Emery (2012) stated that sustainable marketing acknowledges all human activities as dependent on the availability of the natural capital that are provided by the earth, it also recognizes that in the long run sustainable economic viability is the result of both social equity and environmental stability. Also, Emery (2012) asserts that “Sustainable Marketing is the key of transformation, meaning that SM practice has the potential to transform business and the communities in which they operate. Companies that already practice sustainable marketing are keen to emphasize the benefits of the people, planet and profit approach”. Martin and Schouten (2012) pointed out that “Sustainability became important many decades ago, in one form or another, people have been advocating for sustainability for a long time. It is natural that their voices have not reached the business world, even with all the creative ideas, the typical structures based in a long-held beliefs face terrible objection.”

Green Marketing
Sharma and Trivedi (2016) described green marketing as “a management process that prioritizes and satisfies the customers aspirations and societies at large in a sustainable manner as well as the marketing of products that are for both the environment and the society at large.” In this description the authors highlight the salient point of marketing products that are not detrimental to the environment and the society at large. Another set of scholars like (Brough, Wikie, Isaac, & Gal, 2016) stated that green marketing can be liken to the activities that promotes environmentally safe product.” Meanwhile, Yeng and Yazdanifard (2015) contends that green marketing is associated with the ability to promote products and services that are deemed environmentally friendly. A closer look at the various description on green marketing shows a consensus on that green marketing basically is concerned with organizations are to produce goods and services that do not harm the environment. For Yeng et al. (2015) adopting green marketing strategy is viewed as a beneficiary strategy for the firm in the long run.

Social Marketing
Scholars like (Asgari, Khademi, & Mehriya, 2015; Hasaj & Krymbi, 2013; Hasting, 2011) have described social marketing as those primary efforts that focuses on influencing the behaviours that will improve health, prevent injuries, protect the environment, contribute to communities, and, more recently, enhance financial well-being of the society at large.” The emphasis of this definition is the attempt to shape or reorient people to live healthier lives as well as ensure the preservation of the environment, give back to the society and aid in the reduction of poverty by lifting people up financially in the society. This same though was seen in the definition as given by another group scholar’s such as (Akinsanya & Bach, 2014; Weinrich, 2011) when they described social marketing as “a process that uses marketing principles and techniques to influence target audience behaviours that will benefit society as well as the individual. Also, Andreasen (2012) views “social Marketing as the application of commercial marketing concepts and tools to influence the voluntary behaviour of target audiences to improve their lives or the society of which they are a part.” A closer look at this definition will suggest that there exists a consensus in the social marketing is all about modifying the behaviors of the people. Adetuni,
Asikhia, Adefulu, and Kabuoh (2019) posits that “the main purpose of social marketing is creating a positive behaviour changes in the society. Which include engraining in positive behaviours in accordance with social needs and serving the good of the society are among the purposes of social marketing.” This position is consistent with the view of Akdogan, Coban and Ozturk (2013) when they argue that “Social marketing generally is based on the benefit of the society, but also very useful for the benefit of an individual or an organization.

Customer Retention
Sima and Elham (2015) described customer retention as those processes by which the firm are able to their customers by providing products and services that provide great experiences for the customers. This description imply that organization aim is to continuously offer products that are able to satisfy the customers. Reinartz (2015) stated that customer retention can be likened to customer relationship management practices that analyzes and uses marketing and leveraging communication technologies to determine corporate practices and methods that maximize the lifetime value of each customer to the firm, which implies that customer retention is entirely about the customers and their experience. Singh and Khan (2012) asserts that customer retention earns the business a good reputation and goodwill in a competitive market. Also, Singh and Imran, (2012) argues that most “retention programs are designed to turn the occasional customer into a frequent customer; they would be more likely to recommend the business to their friends and relatives.” It’s been established that Customer retention is a crucial component of customer relationship. The main aspect of customer retention is the emotions evoked by the customer experience combined with the organization’s strong reputation. Customer retention is important to most companies because the cost of acquiring a new customer is greater than the cost of maintaining a relationship with a current customer (Sima & Elham, 2015).

Repeat Purchase
Nwulu and Asiegbu (2015) described repeat purchase as a good indicator that shows the sustainability and profitability of an organization base on the fact that repeat purchase unveils the level of satisfaction of the customers and the total quantity that are retained. Earlier scholars like Wirtz and Lwin (2009) defined repeat purchase as the willingness of an individual to re-patronize a service organization. Based on the fact that the first experience was satisfactory and thus a relationship is built on trust and commitment is engendered and then becomes a major predictor of future purchases/ this line of argument was also put forward by other scholars like Caudill and Murphy (2000) when they argued that Customers regularly visit a particular firm based on their perception of trust-that is, they believe that the company has their best interest at heart when providing a service. Studies have shown that repeat purchase customers are customers who are satisfied emotionally, intellectually, physically with an organization offering which could be in the form of a product which exceeds their expectations. Meanwhile, repeat purchase is the prime goal a company can set for its products since it is a consumer reference to purchase a given brand in a product category.
**Customer Commitment**

Moorman, Zaltman and Deshpande (1992) described customer commitment as an “enduring desire to maintain a valued relationship.” Another group of scholars like Dwer, Schurr and Oh (1987) defined customer commitment as an “an implicit or explicit pledge of relational continuity between exchange partners.” Meanwhile Moorman, et al. (1992) underscores the fact that an important driver of repurchase intentions is customer commitment meanwhile, scholars like Mittal, Sambandam, and Dholakia (2010) are of the view that customer commitment can also insulate firms from the deleterious impact of negative events like product failures and corporate scandals. Recent research has identified that customer commitment is a powerful predictor of various metrics related to customer retention, like switching/staying intentions and repurchase intentions (Bansal et al., 2004; Fullerton, 2003). In other words, scholars like (Venetis & Ghauri, 2004; Reichheld, 1993, 1996) are in consensus that a better understanding of customer commitment is crucial for the success of an organization.

**Green Marketing and Customer Retention**

Alabdali (2019) conducted a study on factors affecting the application of the concept of green marketing: An empirical study in Saudi food industry companies. The aim of the study was to investigating the factors affecting the adoption of green marketing in food industry companies in Saudi Arabia and the level of their adoption of green marketing concept. Finding from the study revealed a statistically strong relationship between all independent variables and adoption of green marketing by food companies except the variable of consumer behaviors, it has no significant relationship with the adoption of green marketing. In addition, results show a low level of adoption of green marketing in four marketing mix dimensions by Saudi food companies.

Machara, Kinera, Munyoki and Kinoto (2017) conducted a study on relationship between green marketing practices and customer satisfaction in the soft drink industry in Kenya Nairobi. The objectives of the study were to establish the influence of green marketing practices and customer satisfaction in the soft drink industry in Kenya. The specific objective was to establish the relationship between green marketing practices and Customer satisfaction in the Soft Drink industry in Nairobi Kenya. Findings from the study showed a significant relationship between green marketing practices and customer satisfaction in the soft drink industry in Kenya. In the light of these revelations from literature we therefore hypothesized that:

**H01:** There is no significant relationship between green marketing and repeat purchase in the food and beverage firms in Nigeria.

**H02:** There is no significant relationship between green marketing and customer commitment in the food and beverage firms in Nigeria.

**Social Marketing and Customer Retention**

Issock, Roberts-Lombard and Mpinganjira (2019) conducted a study on the importance of customer trust for social marketing intervention: A case for energy-efficiency consumption. The purpose of the study was to examine the importance of relationship marketing and particularly
customer trust in energy-efficiency labels in social marketing interventions geared towards energy-efficient consumption. The study tested a conceptual model with a sample of 517 users of electronic appliances living in South Africa. The results indicated that customer trust is influenced by customers’ perception of the price and quality of energy-efficiency products, their attitude towards such products, and their level of satisfaction with the environmental performance of the products. Customer trust, in turn, showed a positive influence on the customers’ intention to purchase energy-efficiency products and their loyalty to such products. As a central variable, customer trust was found to be an important mediator in the conceptual model.

Shukla, and Banerjee (2015) conducted a study on Customer commitment to luxury brands: Antecedents and consequences. The purpose of the study was to examine the antecedents and consequences of customer commitment to luxury brands. The findings indicate the differential influence of various antecedents on affective, calculative and normative commitment, and highlight the role played by these forms of commitment on consumption satisfaction and advocacy intentions. The results demonstrate the importance of affective commitment as a relationship enhancer, and identify managerial implications for customer commitment to luxury brands.

H03: There is no significant relationship between social marketing and repeat purchase in the food and beverage firms in Nigeria.

H04: There is no significant relationship between social marketing and customer commitment in the food and beverage firms in Nigeria.

Methodology
This study adopted the cross-sectional survey research design. This research design enabled the researcher to collect unprejudiced data from the study targets and describe the relationship between the variables. The population of this study consists of the customers of the food and beverage firms in Nigerian. Implying an infinite population, a sample size of 384 was used for the study we relied on Krejche and Morgan (1970) to use that figure, but only 294 questionnaires were returned in good condition, which is 76.5% of total questionnaires sent out this a good percentage for the study. All the items used in the questionnaire were measured using a 5-item scale ranging from “very low“ (1) to “very high“ (5). Reliability was measured using the Cronbach’s Alpha at an average level of 0.7%. Hair, Black, Barry, Anderson, and Tatham (2010) argued that a Cronbach’s Alpha equal or greater than 0.7 is regarded to be an indication of reliability. Therefore, the researcher considered the Alpha coefficient greater than 0.7 to indicate reliability of the research instrument. The reliability coefficient of the instrument for each sub-variable of the study is presented in table 1 below.
Multiple regression analysis was used to predict the value of dependable variable based on the value of two or more independent variables. The study hypotheses were therefore tested using multiple regression analysis where the significant level was set at 0.05. In this regression analysis, standardized coefficients (Standardized Beta) were used for all analyses.

**Hypothesis Testing**

The purpose of this section is to test the hypotheses earlier raised in order to determine the strength of significance of the influence of the independent on dependent variables, if any. Specifically, the multiple regression was used to confirm the influence of our independent and dependent variables, as well as determine at what level it is significant and thus, either accept or not accept the null hypotheses. This section focuses on empirical analysis and hypotheses testing.

### Table 3: Summary of the Result of Multiple Regression Analysis on the effect of Green marketing and Social Marketing on Repeat Purchase in Food and Beverage Firms in Nigeria.

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficient</th>
<th>Standardized Coefficient</th>
<th>t</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant (Repeat Purchase)</td>
<td>12.720</td>
<td>1.176</td>
<td>10.813</td>
<td>.000</td>
</tr>
<tr>
<td>Green Marketing</td>
<td>.160</td>
<td>.055</td>
<td>.174</td>
<td>.001</td>
</tr>
<tr>
<td>Social Marketing</td>
<td>.032</td>
<td>.062</td>
<td>.054</td>
<td>.002</td>
</tr>
<tr>
<td>R-Square</td>
<td>0.204</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted R-Square</td>
<td>0.579</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>1.243</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sig</td>
<td>0.001</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

a. Dependent Variable Customer retention
The result of the analysis performed indicates that Green Marketing ($\beta = 0.078$, $t = 1.656$, $p = 0.000$) and Social Marketing ($\beta = -0.032$, $t = -0.571$, $p = 0.002$) have a significant effect on repeat purchase in food and beverage firms. Thus, at 95% confidence level, green marketing, and social marketing have significant positive effect on repeat purchase in food and beverage firms. These results also illustrate that a unit increase in green marketing and social marketing are responsible for increasing repeat purchase by 0.204 and 0.32 respectively. The regression results revealed that Green Marketing ($\beta = 0.174$, $t = 3.264$, $p < 0.05$) contributed most towards repeat purchase of food and beverage firms. This study concludes that sustainable marketing affects repeat purchase of food and beverage firms in Nigeria, hence, the null hypotheses were rejected.

We find support for our position in the work of Machara, Kinera, Munyoki and Kinoto (2017) whose study showed a significant relationship between green marketing practices and customer satisfaction in the soft drink industry in Kenya. Again our position is consistent with that of Issock, Robrts-Lombard and Mpinganjira (2019) whose study results indicated that customer trust is influenced by customers’ perception of the price and quality of energy-efficiency products, their attitude towards such products, and their level of satisfaction with the environmental performance of the products. and finally our positions were in line with the position of Eniezam, Wahab and Kalsom, (2015) whose study found that indicated significant positive relationship in green marketing strategies and customer satisfaction (an antecedent of customer retention).

**Conclusion**
Based on the overall result obtained from the study hypotheses, it is concluded that there is a significant relationship between sustainable marketing and customer retention in the food and beverage firms in Nigeria.

**Practical Implication of the study**
The implication of the results to the study is that sustainable marketing is a worthwhile strategy which the management of the food and beverage firms should be committed to in order to gain competitive advantage in a competitive industry with changing dynamic marketing environment. The findings will therefore assist the marketing managers to convince the senior management and business owners on sustainable marketing issues to be implemented due to widespread perception that sustainable marketing practices may have a significant impact on profit due to the cost of going green. Further, Heck and Yidan (2013) stated that Consumers choose the product based on the available information. Sustainable marketing plays significant role in strengthening awareness about society. Evidences suggest that consumers are willing to pay premium when they realize importance of sustainable products and services.

**References**


asplpapersubmit@gmail.com


KPMG (2014). Acting with Integrity International Annual Review,


