Moderating Role of Technology on Marketing Channel Strategies and Organizational Performance of Quoted Brewery Companies in South-South, Nigeria

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Abstract

This study investigated the moderating role of technology on the relationship between marketing channel strategies and organizational performance in the context of quoted brewery companies in the South-South region of Nigeria. The population of the study was the fourteen (14) quoted brewery firms, this population was fully studied. However, forty-two managers to whom questionnaire were administered formed the respondents of the study. The study employed primary data; questionnaire was administered, and the retrieved questionnaire was analysed with both descriptive and inferential statistics. The Pearson product moment correlation was used with the aid of the statistical package for social sciences (SPSS) version, 22.0. The findings of the study are that technology positively and significantly moderate the relationship between marketing channel strategies and organizational performance. Thus, technology moderates marketing channel strategies and performance of brewery companies in south south, Nigeria. the study, therefore, recommends that, the quoted brewery companies in the south south, should adopt emergent technologies in the industry, this will drive marketing channel activities and bring about the firm's performance.

Keyword: Technology, marketing channel, strategies, organization performance, brewery

Introduction

Marketing channel is still the costliest marketing function. Every year major organisations in the United States and other advanced nations spend billions on marketing channel far more than for any other marketing functions. No discussion of marketing would be complete without considering the marketing channel strategies or considering the middlemen who have evolved to facilitate the exchange process. Marketing middlemen are persons or organisations that perform one or more marketing functions to facilitate the exchange of goods and services among the marketing entities; two of the principal middlemen are wholesalers and retailers. According to William & Nickels (2016) distribution planning is systematic decision marketing regarding the physical movement of goods and services from producers to consumers as well as the related transfer of ownership (or rental) of them. Evans & Berman (2017) argued that distribution encompasses such diverse functions as transportation, inventory management, and customer transactions. McCarthy & Perrault (2002) reasoned that functions are carried through channel of distribution which is comprised of all the organizations or people involved in the distribution process. According to the authors, those organizations or people are known as channel members and may include manufacturers, service providers, wholes, retailers, marketing specialists, and/or consumers. Boone & Kurtz (2015) confirmed that when the term distribution intermediaries is used, it refers to wholesalers, retailers, and marketing specialists (such as transportation firms) that act as facilitators (links) between manufacturers/service provides and consumers. According to Heintz, Weihrich & Harold (2011) one of the basic decisions and enterprise makes is selecting a product or products it intent to produce and market. However, marketing channel in recent times has drawn the attention of scholars, experts, and researchers but of its sensitive nature and the rising argument about role/need in the distribution system. Hence, the study is focusing on this area as it affects the performance of the quoted brewery industries in the South-South Region of Nigeria. Kotler & Keller (2013) paid attention and emphasis to intensive marketing channel as it places the goods or services in as many outlets as possible. This strategy serves well for snack foods, soft drinks, and newspapers, cadies product consumers by frequently or in a variety of locations. According to Kotler & Keller (2013), manufacturers are constantly tempted to move from exclusion or selective distribution to more intensive distribution to increase coverage and sales. This platform may help in the short term, but if not managed properly, it can hurt long term performance by encouraging retailers to compete aggressively. A marketing channel is a series of interdependent marketing institutions that facilitate transfer of title of a product as it moves from producer to ultimate consumer or industrial user. It is called a channel of distribution or distribution channel. Producers, intermediaries, and final buyers are participants in a channel (channel members). William & Joseph (2015) added that an intermediary is a person or firm in a marketing channel, such as a wholesaler or retailer that operates between the producer and the final consumer/buyer of a product. Intermediaries, which are also called resellers or middlemen, specialize in buying and selling but many also perform the other marketing functions.

The Concept of Marketing Channel Strategies

The principles of distribution or marketing channel strategies remains the same, but the practice has changed dramatically in the past 100 years, and even more so since the advent of the 'Internet of Things'. According to Opara & Ogonu (2016), a seismic shift has been the introduction of affiliate partners and programs in the strategy of distribution channel marketing and channel sales management. Rosen bloom (2014) argued that when life was a lot simpler, trades folk would bring their goods to a central market where the local villagers would come to either buy the goods or trade them from their own wares. The tradesmen would then return home with the revenue generated. The circle would then repeat itself. If people had something of value, they could 'get into the market' to have their needs met. Specht (2016) specified that although marketing channels and distribution channels are terms that are often used interchangeably, for the purposes of this study they will be distinguished as follows. Marketing refers to the entire ecosystem required for getting products (tangible goods and intangible services) from the point of production to the point of consumption, this includes people, organizations and all the required activities. Channel management is defined as the process where the company develops various marketing techniques and sales strategies to reach its customer base. The distribution channel is a more focused term that refers to the chain of intermediaries through which the product passes until it reaches the end consumer. Ray (2017) maintained that strategic channel marketing and distribution is about getting the product to the end user in the most effective way depending on the nature of the product and the market, numerous intermediaries may be involved. For example, the manufacturer of an FMCG such as a chocolate bar. It would be highly impractical for the manufacturer to sell it to the final consumer; some intermediaries are involved in this case: Transporter, wholesaler, retailer, and finally, the consumer.

According to Kotler et al (2006), the above is a traditional marketing channel, but many variations might exist. For example, there are distributors' who would take products directly from the manufacturer, and then use their distribution network to supply the retailers. So, the channel would resemble manufacturer – distributor – retailer – consumer. From the above authority, large retailers who have relatively few stares (such as mass discounters), consumer could be supplied directly: manufacturer – retailer – consumer for someone manufacturing an item on a small scale from their hence, we have the simplest form of distribution: Manufacturer – consumer. The above refers to the B2C (business to consumer) market. There is also the B2B (business to business) sector which caters specifically for organisations as customers. For example, the sugar required in the manufacture of the chocolate bar in the example above would come straight from the manufacturer of the sugar, since it would be a bulk order. The channel could then be expanded: According to Kotler & Keller (2013). A distribution channel system is the particular set of marketing channels a firm employs and decisions about it are among the most critical ones management faces. The channels chosen to affect all other marketing decisions. In managing its intermediaries, the firm must decide how much effort to devote to push versus pull marketing. Onuoha & Egbuta (2007) explains that distribution as one n the vital marketing mix is of crucial importance because of the various role it performs in the movement of goods tot eh user or consumer. Ensuring a product is available when the customer wants it adheres to time utility. Consumer demand for products varies depending on the weather, holiday season or everyday want and needs. Is the value consumer put on where they purchase products, stores make it easier for the consumers to purchase item as opposed to driving to factory or warehouse where they need in place conveniently located near home or work? Is the value consumers put on purchasing a product and having the freedom to use the product as it was intended or finding a new use for the product for example, many people use flowerpots for planting, but these pots have other uses such as storage for small object found around the house or as a centerpiece for the dining room table? Is the value a consumer seen in finished product? Consumers purchase items such as furniture, electronics, or vehicles in part because of the consumer is incapable of finding and putting all the parts together to create the product, the consumer sees value in the finished product, or the form created by each product part. Robinson (1978) asserted that the important condition of entry is that the company's initial marketing objectives create discretionary margins which are large enough to sustain its growth objectives. Firms use marketing channels for a number of reasons, among them are as follows: A producer may want to concentrate effort on corporate decision marketing while relinquished the power over how and whom his products would be sold, to achieve wider or intensive distribution of goods a producer cannot reach to all actual and potential consumers without distribution channels in operation for instance, brewery firms South-South have achieved intensive market coverage as a result of intermediaries, lack of enough resources of carry out direct marketing, to tap the specialized skill and expertise and middlemen in distributing goods, to avoid becoming middlemen for complementary products of other producers. For instance, if a producer of (tea) goes into direct marketing he may be forced to become a dealer for singular and other related products.

The Concept of Organizational Performance

Organizational performance involves analyzing a company's performance against its objectives and goals. It comprises real results or outputs compared with intended outputs (Evans & Berman, 2017). Hampton & Thompson (2015) pointed out the Friedlander and Pickle considered organizational performance as a theme that repeatedly occurs in paradigm of management. Strategic and operations management are also included is performance, a feature that attracts the interest of both practicing managers and academic scholars. The authors defined organizational as the evaluation of the constituents that try to assess the ability and capability of a company in achieving the constituent's aspiration levels using efficiency, effectiveness, or social referent criteria, which are briefly explained. According to Chandler (2017) effectiveness refers to the maximum extent production functions that can fulfil and meet the demands and requirements of the customer. Efficiency, on the other hand, is assessing and evaluating how the resources of an organization are economically utilized through the accomplishment of functions to achieve its objectives. Quantitatively, performance and the dimension or scale is interrelated, that is, it is generally quantifiable in different dimensions. Organizational performance also refers to the nature and quality of an action performed in an organization to achieve the accomplishment in its primary functions to produce profit (William, 2008). According to Robinson (2017) organizations perform various activities to accomplish their or organizational objectives. It is these repeatable activities that utilize processes for the organization to be successful that must be quantified to ascertain the level of performance and for management to make informed decision on where, if needed within the processes to initiate actions to improve performance. According to the author, it can be claimed that there is a close relationship between the organizational objective and the concept of organization performance. Therefore, all companies probably attempt to achieve certain predetermined objectives with the help of the available resources.

According to Hui & Tall (2013) an analysis of a company's performance as compared to goals and objectives. Within corporate organizations, there are three primary outcomes analyzed; financial performance, market performance and shareholder value performance (in some cases, production capacity performance may be analyzed). Essentially, this is what we are speaking about when we refer to organizational performance and achievement of successful outcomes. Daft (2000) authoritatively confirmed that the definition of management is the attainment of organizational goals in an efficient and effective manner. Management is so importance because organizations are so important. According to the author, in an industrialized society where complex technologies dominate, organization bring together knowledge, people, and raw materials to perform task no individual could do alone, Fairholm (1994) believed that an organization is a social entity that is goal directed and deliberately structured. Social entity means being made up of two or more people. Goal directed means designed to achieve some outcome, such as make profit, win pay increases for members, meet spiritual needs, or provide social satisfaction. Deliberately structured means that tastes are divided and responsibility for their performance is assigned to organization members.

The Concept of Technology

The concept of technology is an enable employed in any business process to drive effectiveness and efficiency. It is the material and non-material created by the application of mental and physical efforts to achieve some value. They are tools and machine to employed to solve real world problems. Technology is the application of the sciences and arts to produce goods and services in manufacturing of service processes. According to Lee & Grewell (2004), technology is the application of scientific knowledge in the production of goods and services. Science knowledge is applied into the production of manufacturing machines, telephones, home, and office equipment and so on. Technology is involving in all aspects of human endeavour from the production of housing and infrastructural development and management of business processing. It is also embodied in people, materials and cognitive and physical processes, facilities, machines, and tools employed for production of (Sazali, Raduan & Suzana2011). Technology is the application of science knowledge for problem solving. It is the integration of the physical object or the artifact, the process of marking the object and the meaning associated with the physical object. Technology importance in all aspects of human endeavours cannot be over-emphasized. This next section will discuss literature on the empirical investigations carried out by different studies.

Methodology

This study adopted the cross-sectional survey research design with an explanatory or hypotheses testing research. The population of the study was the fourteen (14) quoted brewery companies in the south south, Nigeria. This population was fully sampled. The study employed primary data with the use of structured questionnaire into five-point likert type scale measuring the components of the constructs of marketing channel strategies, technology and organizational performance. The instrument was valid and reliable after pilot testing, the confirmatory factor analysis and the Cronbach's alpha reliability coefficient were employed. The generated data were analysed with both descriptive and inferential statistics. The Pearson product moment correlation was used to measure level of significance of the variables.

Analysis of Results

Technology does not significantly moderate the relationship between marketing channel strategies and organizational performance.

Table 1 Correlations between exclusive distribution and market share

Control Variables			Marketing Channel Strategies	Organizational Performance	Technology
-none-[a]	Marketing Channel Strategies	Correlation	1.000	.638	.965
		Significance (2-tailed)	.	.011	.000
		Df	0	13	13
	Organizational Performance	Correlation	.638	1.000	.510
		Significance (2-tailed)	.011	.	.042
		Df	13	0	13
	Technology	Correlation	.965	.510	1.000
		Significance (2-tailed)	.000	.042	.
		Df	13	13	0
Technology	Marketing Channel Strategies	Correlation	1.000	.644	
		Significance (2-tailed)	.	.013	
		Df	0	12	
	Organizational Performance	Correlation	.644	1.000	
		Significance (2-tailed)	.013	.	
		Df	12	0	

a. Cells contain zero-order (Pearson) correlations.
Source: Desk Research, 2020

As shown from the SPSS output on Table 1, the correlation coefficient between marketing channel strategies and organizational performance is 0.638 before the introduction of technology. However, the introduction of technology increased the correlation coefficient to 0.644, giving a difference of 0.006. Again, result of the analysis is significant (i.e. $p = 0.013 < 0.05$). This means technology statistically significantly moderates the relationship between marketing channel strategies and organizational performance. Therefore, we reject the null hypothesis that states that technology does not significantly moderate the relationship between marketing channel strategies and organizational performance and accept the alternate hypothesis.

Discussing of Findings

Moderating Role of Technology on Marketing Channel Strategies and Organizational Performance

The computer's increasing presence and power corresponding advances in computer literacy and the advent of global telecommunication are nudging industrial societies toward an information-based economy and the prospect of an electronic distribution system. Companies have re-engineer their marketing functions accordingly, with mass markets splitering into ever finer segments, an important element of re-engineering will be the sophisticated used of information technologies to identify, reach, and retain customers. The evidence of huge technological penetration where. However, the marriage of telecommunications and computing power is generating new product classes – the hallmark of high technologies. For example, with an automatic teller machine, you can bank with a banker. With computer software, you can pick a mutual fund without an architech. With an online service, you can plan a trip to any country without a travel agent, one can do these activities will – days, nights, or weekends. Therefore, technology is an enabler in the management of workplace activities and programme. The study is supported by Lee & Grewell (2004) who confirmed that technology has positive on impact on organizational performance. The authors used regression analysis and discovered that the use of technology positively improves organizational performance. From the statistical revelation, the introduction of technology added to the growth of the organization. Truly technology significantly moderates the relationship between marketing channel strategies and organizational performance. Furthermore, we reject the null hypothesis which states that technology does significantly moderate the relationship between marketing channel strategies and organsiational performance and accept the alternate hypothesis.

Conclusion

This study investigated the moderating role of technology on marketing channel strategies and organizational performance in the context of brewery companies in the south south region of Nigeria. From the empirical results, we conclude that, technology positively and significantly moderates the relationship between marketing channel strategies and organizational performance of brewery companies in south south, Nigeria.

Recommendations

The following recommendations are made.

i. The brewery companies for the effective management of channels should leverage latest technologies to bridge the gaps between channel members and effectively deliver values to the end users.

ii. The brewery companies in the south south, should adopt information and communication technologies for the effective transmission of messages among channel members

iii. The companies should be innovators in adopting new technologies to effectively drive value chain from the point of pre-production, production, marketing, distribution, and consumption.

The execution of these recommendations will successfully influence marketing channels and bring about successful workplace performance.

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