Research Paper

Distribution Channels and Sales Performance in Nigeria: A Case Study of Some Selected Fast Moving Consumer Goods (FMCGs) In Ibadan

Sanusi Mutiu Opeyemi[1]

Federal Polytechnic Offa, Kwara State, Department of Business Administration

Author's Mail Id: ayzne01@gmail.com

Abstract— This paper focuses on the relationship between distribution channels and sales performance among selected FMCGs in Ibadan. The relationship between the dependent variable (sales performance) and the independent variables (distribution channel) was examined with inferential statistics. The respondent characteristic was ascertained using descriptive statistics. The study examined the reliability and validity of the questionnaire using pre-test with Cronbach's Alpha Value. The study concluded that there is positive and significant relationship between current distribution channel, distribution channel relationship, distribution channel component, distribution channel intermediary and sales performance among selected FMCGs in Ibadan. From the findings of the study, it is recommended that FMCGs should commit more efforts to channel management by tasking sales manager and other top management with the responsibility of managing customer relationships and put effective distribution mechanism in place to enhance FMCGs revenue drive.

Keywords— Distribution Channels, Sales Performance, FMCGs, Nigeria

1. Introduction

The existence of a good distribution strategy is a sin-qua-non for the existence and sales performance of all firms. The presence of an active distribution channel enhances sales turnover and overall organisation profitability. The firm's ability to know and consequently create best distribution strategy is one of the important steps or stages in marketing and greatly influences the success of the organisation. The use of distribution channel principles to carry out the transfer of items or products from producers to buyers form a chunk of overall economic activity, practices and businesses globally [1]. This is responsible for huge portion of economic activity in conventional societies, thus, enhances the growth, development and performance of world and regional economies [2].

The necessity for channel strategy as an approach for selling by means of distribution channel or combination of channels rest on the objectives of achieving the demands of the organisation's focus markets, having competitive edge and improving the general financial performance [3]. Selecting an efficient channel strategy should not only meet customer needs, but also surpasses the minimum standard in order to provide the exceptional buying experience buyers expect [4] and create an everlasting competitive edge including sound financial scorecards for organisations. Marketing is one of the certified means through which firms bring customers attention to the products or services [4]. There are five marketing mix through which marketing activity is being undertaken [5], without doubt, marketing strategies have strong influence on the long run performance of firms. Hence, the marketing focuses must be specific, measurable, attainable, relevant and timely (SMART).

The outcome of marketing is a key aspect of firm performance which has put enormous task on marketers and marketing professional to clear justify organisation investment on marketing activity [6]. As against the marketing contribution which centres on the financial gains from marketing [7], marketing performance focuses on a wider aspects [8] with financial gain only as a part. The main objectives of this study is the impact of distribution channels on sale performance with respect to marketing performance in the fast moving consumer goods industry was based on the broader dimension rather than only financial contributions. However, the problem before now and in recent times is not basically on whether marketing performance is one-dimensional or multidimensional. Rather, it is the ability of marketing to demonstrate its contributions to firm's performance which has been attracting unpleasant comments toward it, both as a concept and a profession [9].

Statement of the Research Problem
Marketing strategy is very crucial for meeting firm financial and non-financial objectives [10]. The step by step process of

selecting and implementing the marketing strategy enables marketing professionals and managers to comply with the firm objectives but not all firms meet their objectives and some firm re-strategize due to the competition in the market [11]. Interestingly, the suppliers and the sellers of non-harcoholic drink play an active impact in influencing the customers in their buying beliefs and attitudes. However, many of firms in the sectors are battling with poor sales performance and thus facing the problem of sustaining their brands and existence in the market.

The FMCGs sector in Nigeria comprises of the products that are purchased and consumed often and often. The enormous population size is a key reason why the FMCGs dominate Nigeria as a country. The FMCGs has grown over the year to meet the yearning of the different strata of consumers and its target market in the country without neglecting taste and income factors. The sector also engages large number of Nigerian productively thereby contributing to human development and economic growth. The FMCGs has positive link with various sectors of the economy such as supply chain, agriculture, and support industries like packaging, media, etc.

Interestingly, studies such as [12]; [13]; [14] research on management of distribution channels and [15] examined distribution problems and practical solution. In addition, majority of the studies in this area of research were conducted in the developed countries than in the less developed countries. Also, marketing researches by scholars focused on areas like determinant of distribution intensity, asymmetric effect of distribution intensity on marketing performance [16]; FMCGs distribution channels in local area [17] but researches that focuses on the distribution channels and sales performance in FMCGs are scanty in Nigeria. It is against the paucity of studies in this area of research in Nigeria that this current intends to investigate distribution channels and sales performance among selected FMCGs in Oyo State.

Research Problems
The research problems based on the gap identified are:
i. What is the current distribution channel employed by selected FMCGs in Ibadan?
ii. What is the relationship between distribution channel and sales performance among selected FMCGs in Ibadan?
iii. How does distribution channel component affect sales performance of selected FMCGs in Ibadan?
iv. Does a distribution channel intermediary affect the level of sales performance of selected FMCGs in Ibadan?

Scope of the study
This paper focuses on the relationship between distribution channels and sales performance among selected FMCGs in Ibadan.

2. Literature Review

Concept of Distribution Channels
According to (18) distribution channels are a set of firms that take part in the process of getting goods to the target consumers. Usually, organisations come up with appropriate channels it deems necessary for effective sales. The classification of channels is based on the numbers of sales representative that connect the producers with the consumers (18). Creating a model for sales channel require thorough evaluation of consumers need, sales channel focuses and alternative channels of distribution. Also, designing a model for distribution channel requires that the producer understand the quantity of goods that the consumers want to obtain. The distribution channels help the producer with the following outcome; lot size, waiting time, spatial convenience, product variety and service back up.

Concept of Sales Performance
Marketing performance refer to as the quantitative evaluation and assessment of marketing outcomes using particular parameters [19]. From another perspective, [16] elaborate that marketing performance is the effectiveness and efficiency of an organisation's marketing activities with regard to market-related objectivess, such as revenues, growth and market share. According to (16), every producer, manufacturer and distributors should improve sales performance and reduce the selling expenses in order to guarantee the organisation survival survival. Based on the extant literature, sales performance combines sales effectiveness which encompasses the strength of firms' staff to win customers and generate profitable business and sales efficiency which encompasses how faster each task in the sales process is executed (16).

Moreover, [19], explain that marketing performance is a three-dimensional construct, consisting of effectiveness, efficiency and adaptability. Sales performance is a blend of sales effectiveness - the aptitude of a company's sales agent to be successful at each point of the customer's buying process, and in due course bring in the business on the right conditions and in the accurate moment in time, surrounding and sales efficiency - the velocity at which each job in the sales route is performed [20].

Views on marketing performance indicator have over time revolved around the use of financial measures to non-financial measures [21]. Some early research works on marketing performance indicators focused more on financial indicators like sales units and sales values, cash flow and profits [22]. But on the contrary, some researchers have criticised the use of these indicators for marketing performance because it does not consider long-term factors [23]. These new perspectives emphasized non-financial indicators of marketing performance from the perspectives of marketing input leading to marketing outputs. [24] proposed guidelines to think about in optimizing sales performance: 1) Provide resources that commune company's message, construct an ordinary sales toolkit for associates to make certain that the whole lot enable them to transmit company's value proposition and speed up sales growth; 2) Modularize company packaging for each phase of the buying process.

Theories of Sales Performance
Contingency theory

The theory that underpinned the current study is contingency theory of leadership and organisation structure propounded by [25]. The theory was the foremost and comprehensive model on performance. The theory posits that, group performance is contingent upon the psychological belief of the head and situational variables like the organisation size, innovations, technology, leadership approach and commitment to changes in policy and strategy [26]. The basic principle of this theory is that, there is no fit-all organisational structure that fits all organisations [27]. Rather, situation should dictate the best approach to achieve organisation target [27]

What this meant, is that the theory assumes that performance of a firm depends on fit or match between two indicators [28]. The theory emphasises on the functionalist view of organisation framework [29]. In summary the theory focused basically on contingency variables (i.e. situational characteristics), response variables (i.e. organisational or managerial actions required to adapt to situational changes) and performance variables (i.e. specific aspects of performance that are appropriate to measure the fit between contingency variables and response variables for the situation on ground).

Utility Creation Theory
[30] explain that utility creation as valuable and desirable element of a product that appeal to consumers to embark on acquisition and consumption of a product. From the economists' point of view, [31] elaborate that utility creation in marketing are values and gains derivable by consumer from acquiring and consuming of goods and services. From the above definitions, marketing activities is an instrument to make a product more desirable and valuable to the buyers. According to [32] utility creation can be defined value addition to farm products as they are transferred from the farm to final buyers. The definitions of utility creation make it obvious that marketing process creates utilities (or values) in the process of getting the products moved from the point of production to the final buyers. These utilities form parts of what is used to enhance desirability from the buyers toward the goods.

By implication, a firm produce goods, distribute the goods in order to create utilities for the buyers [31]. Empirical studies have made attempt to employ the concept of utility resulting from marketing activities to address the search by marketing managers on how to link product variables to the wishes or wants and needs of buyers [33]. Every marketing activity and process is created to present products or services in the best possible means so as to meet customers' needs. These activities are designed to improve the utilities derivable from product or service which in turn are expected to create customer satisfaction with respect to the characteristics of the products.

Concept of Distribution Channels
Distribution Channel is defined as a set of interdependent organizations involved in the process of making a product or service available for consumption or use [34]. Distribution channel can also include physical movement, warehousing,

ownership of the product, presale transaction, post-sale activities; order processing, credit and collections; and other different types of support activities [35]. Distribution is the process of making a product or service available for use or consumption by a consumer or business user, using direct means, or using indirect means with intermediaries [36]. The distribution Channel consists of the manufacturer, middlemen, and consumers or end users. The channel can therefore be described as the link between the manufacturer/Producer service and the consumer [37].

[17] assert distribution channels refer to a responsibility of delivering goods in the right volume to the appropriate place and in the appropriate time. The above definition is a confirmation that certain tasks have to be carried out either directly by the producers or indirectly through agents for any goods to be distributed and meet the need of the final buyers. [38 explain that it is a means employed to move goods from the producer to the final user through seller and other distribution channels. The procedure employed here reveals that the engagement of agents by producer to move its products to the final buyers.
[3] explain the concept of distribution channels in two ways – firstly, it is a systems of mutually dependent arrangement planted into the process of channelling goods or services for use or consumption; secondly, it is an external contractual arrangement which managers use to attain their distribution targets. This above explanation pointed to the fact that there exist a mutual link and dependency among the producer, intermediaries and buyers. [39] opine that the distribution channel is link through which goods and services move from the producers to the buyers with the assistance of intermediaries. In his explanation, distribution channels are distribution link or series of supply link or trade link through which goods are delivered to the final consumers. The length of distribution channels anchored on the decision of the producers which has to do with how intensive producer intend to make its goods accessible in the target market and the extent of market size. [15] elucidate that distribution channels is the link through which products pass through from manufacturers to end users or consumers. The explanations of [39], [15] give a clearer picture of how researcher is perceiving distribution links.

The benefits of distribution link to producers in the FMCGs sector is that, it is sensitive to market and social cultural factors meaning the choice of distribution link and strategy to employ for entering the market and distributing of goods and many more depend on market and social cultural factors. Empirical studies have shown that there no fit-all distribution approach because every distribution methods or approach and practices depends on operating environment. One other benefit of a standard distribution channels is that it gives competitive edge to the organisation [15]. Researchers have attributed the following important contributions to the distribution channels: gathering of information, sharing of the result of marketing research and intelligence gathering, promotion of firms, matching; contractual engagement; physical distribution; funding; and risk-loving [10]; [42].

Challenges of Effective Distribution

Distribution of goods and services from the manufacturer to the final consumer is fraught with a number of challenges. The challenges associated with distribution can be presented in diverse ways. Notable among these are the position in the supply chain, business strategy focus and output of the producer's offer. An important characteristic of a distribution system is that the retailer responsible for the distribution of the goods to the final consumer is closer to the customer/consumer than the producer/manufacturer. This means that in most cases, the retailer has better information about the demand conditions than the producer/manufacturer [34]. Thus, though the distribution structure makes it possible for distribution to take place, often hinders effective communication between manufacturer and consumer [35]. As a result, producers may push products through distribution system without a clear view of the exact preferences of their eventual customers. Aside the lack of knowledge about the final demand, producers found it a difficult exercise to develop their marketing strategy when isolated from the retailers' strategy.

Theoretical Framework

The study focused on the relationship between distribution channels and sales performance among selected FMCGs in Ibadan. The independent variable is the distribution channel measured in terms of current distribution strategies, channel relationship, channel strategy and channel intermediaries. The dependent variable is the sales performance. However, the study intends to establish if there is relationship between the dependent and independent variable.
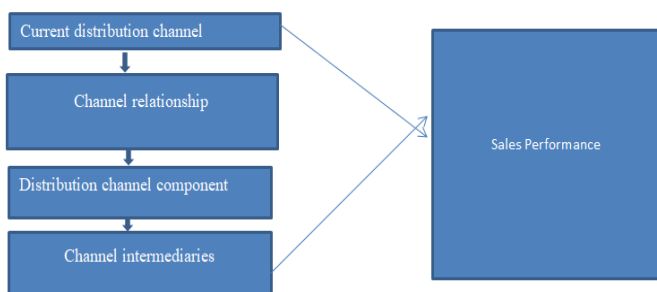
Source: Researchers' Model based on the work **Daniel (2022)**

Empirical Review

[16] examine the relationship between channel techniques and marketing outcome for a selected consumer products firm in city of Lagos. The result of the various study demonstrates that channel techniques intends to improve the efficiency of marketing efforts on distribution of goods, customer loyalty and client or customer base. It is reported that cultural factor, language barrier, poor transportation system, security crisis, poor infrastructure facilities and inappropriate government policies have been the recurrent challenges facing consumer goods firms and preventing those firm from putting in place efficient distribution technique and thereby result in poor performance of the firm**.** Thus, the study by [16] investigate the manner in which distribution technique influences marketing effort in the city of Lagos, a case study of selected consumer goods firm.

The study used survey research approach using 592 staff in the sales and marketing department of the selected consumer goods firms in Lagos State, Nigeria as the population. The choice of the firms was influence by the fact that the selected firms control more than 70% of the market share for consumer goods in Lagos State and are actively involved in implementation of channel strategies. The research instrument used for the study is a structured questionnaire with close-ended questions. After analysing the data using descriptive and inferential statistics, the results of the study revealed that channel strategy had a significant effect on marketing performance in Nigeria.

[40] carries out research on the distribution techniques and sales performance in Ghana using Guiness Ghana Breweries Limited. It was reported that distribution strategy is essential for building a successful business because most firms built their competitive edge through their choice of distribution technique. Hence, the study by (40) examined the distribution strategy of a single beverage company in Ghana. The study obtained data from managers of Guiness Ghana Breweries Limited, distributors and sellers across Ghana using questionnaire and structured interview. The diagnostic test for the study was conducted using SPSS software while the interview data were transcribed and reported. The result of the study indicated that a form of indirect distribution techniques are embraced by the company where key intermediaries, sellers and producers play important roles in getting the company product across to the company's target market or buyers. The study also revealed that the existing distribution technique of the company significantly affect firm's sales target, turnover and profit. On the contrary, the results of the study revealed that channel conflict, logistics constraints and difficulty in managing the various distribution links are some of the problems associated with the company's distribution techniques. The study suggested that the firm should give some form of assistance to major distributors to improve their strengths to store and transport the firm's products to sellers and end users.

[41] conducts research on marketing channel and performance of Soft Drink Distributors in Maiduguri, Borno state, Nigeria. This study examines the causal link between soft drinks marketing channel conduct and margin on the performance of distributors in Maiduguri, Nigeria by focusing on the different channels involved, power relationship and margin determinant on the general performance in terms of profitability, sales output, and customer attraction. The data for the study were obtained using structured questionnaires and a sample of 120 Soft Drink marketers (comprising of producers wholesalers and retailers). Purposive and simple random sampling technique were used in choosing marketers and Distributors in Maiduguri metropolis. Both descriptive statistics and multiple regression analysis were used to diagnose the causal link between the two key variables. The study found a margin of 39.8% which could be attributable to the marketing functions. The study found an existence of a decentralized distribution channel in the area. The research further showed that capital outlay, initial investment, and logistic charges were positive and significant at different

levels showing that they were the key indicators of sales performance, profit and customer attraction in the state. It is suggested that sale personnel should form a strong co-operative society in the state and that the authority should intervene by lowering the tax and providing license to increase the number of micro-credit finance institutions.

3. Methodology

Research Design
A survey research design was used for the study. The essence of a survey design was to have an understanding of distributors' perspectives on marketing channel and it effect on performance in Maiduguri

Population of the Study
The population is all employees in FMCG Distributors in Oyo State specifically in Ibadan metropolitan city. The population for the study comprise of employee in Unilever, P& G, Reckitt Benkiser, Nestle, Henkel and PZ Plc. The choice of this sample was informed based on the ease of accessibility, representativeness and premised on the fact that it represents the needed scale to answer the research questions. The total numbers of employee in these selected FMCG Distributors as at March, 2021 was obtained from their Human Resource department of the selected company as follows:

Table 3.1 Population distribution

S/N	FMCG Distributors	Number of Employee
1	Unilever Nigeria Plc	60
2	Procter & Gamble	45
3	Reckitt Benkiser	35
4	PZ Plc	45
5	Nestle	40
6	Henkel	30
	Total	**255**

Source: Human Resource Department (2022)

Sample size determination
The sample size was determined based on the total number of employee on the payroll of the six selected FMCG Distributors as at March 2021. The sample size was determined using Yaro Yamane's formula, with the application of normal approximation with 95% confidence level and 5% error tolerance. The formula according to Guilford and Fruchter (1973) was given as:

Where $Nn = \frac{N}{1+N(e^2)} = \frac{255}{1+255(0.05^2)} = 155.7 \cong 156$

Population = **255** as at March, 2021; n = sample size; e = level of significance = 0.05

The researcher has decided to proportionately distribute the questionnaire based on the total number. Thus, random sampling technique will be used to distribute the questionnaire. Thus, the table below indicated as follows:

Table 3.2: Questionnaire distribution

S/N	FMCG Distributors	Number of Employee
1	Unilever Nigeria Plc	60/255*156 = 37
2	Procter & Gamble	45/255*156 = 28
3	Reckitt Benkiser	35/255*156 = 22
4	PZ Plc	45/255*156 = 28
5	Nestle	40/255*156 = 24
6	Henkel	30/255*156 = 18
	Total	**255**

Source: Researcher's Fieldwork (2022)

Research Instrument
Questionnaire was used to gather information from the participants. The questionnaire focuses of constructs that capture distribution channel scale and sale performance scale. It is divided into two sections. Section A comprised questions on the personal data of the respondents while Section B comprised questions on the distribution channel and sales performance respectively.

Sources of Data
The data used for this study is primary data. This is direct information from the participants obtained by administering questionnaire to the employees in the selected six selected FMCG Distributors in Ibadan.

Validity and Reliability of the Research Instrument
The validity of the questionnaire was attested to by experts in the field of marketing who confirmed that the constructs captured the variable of interest and in line with the research objectives. The reliability of the questionnaire was verified through a pilot test of forty questionnaires administered to the employee of the selected six FMCG Distributors. This result of the pilot test using SPSS is presented in the table below. The result showed that the reliability score falls within 0.832 to 0.860. This implied that constructs or items used for measuring marketing channel and organizational performance are appropriate.

Table 3.3: Summary of a reliability test

Variables	Question No	No of Items	Cronbach's Alpha Value
SALPERF	Q1-Q8	8	0.832
$CURDIST_s$	Q9-Q15	7	0.860
$CHANREL_s$	Q16-Q22	7	0.856
$DISTCHCO_s$	Q23-Q28	6	0.851
$DISTCHINT_s$	Q29- Q35	7	0.674

Source: *Researcher's Fieldwork* (2022)

Model Specification
It shows the functional relationship between the independent variables and the dependent variable in a regression analysis. The model is given as:
$SALPERF = f$ ($CURDIST_s$, $CHANREL_s$, $CHANSTR_s$ $CHANINT_s$)

Therefore, SALPERF = (β_0 + β_1 CURDIST$_{si}$ + β_2CHANREL + β_3DISTCHCO$_{si}$ + β_4 DISTCHINT$_s$ $_+$ e$_i$)

Where: SALPERF = Sales performance; β_0 = Constant; β_1 to β_3 = Coefficients of the independent variables; CURDIST$_{si}$ = Current distribution strategies
CHANREL = Current distribution channel
CHANSTR$_{si}$ = Channel relationship
DISTCHCO$_s$ = Distribution channel component
DISTCHINT$_s$ = Distribution channel intermediaries
e$_i$ = Disturbance term

Our Apriori expectation is stated as: $\beta_1 > 0$, $\beta_2 > 0$, $\beta_3 > 0$.
$\beta_1 > 0$; increase in Current distribution channel for employee for training will in turn lead to increase in sales performance.
$\beta_2 > 0$; increase in Channel relationship will lead to increase in sales performance.
$\beta_3 > 0$; increase in Distribution channel component will lead to increase in sales performance.
$B_4 > 0$; increase in Distribution channel intermediaries will lead to increase in sales performance. The partial regressions coefficient represents the change in the dependent variable is changed by one unit and other dependent variables are held constant.

Table 3.4: Operationalization and Measurement of variables

S/N	Variables	Notation, Measurement and sources
1	SALPERF - Dependent variable	It was captured with the five point likert scale ranging from Strongly Agree to Strongly Disagree (5 points ordinal scale measurement).
2	CURDIST - Independent variable	It was captured with the five point likert scale ranging from Strongly Agree to Strongly Disagree (5 points ordinal scale measurement).
3	CHANREL - Independent variable	It was captured with the five point likert scale ranging from Strongly Agree to Strongly Disagree (5 points ordinal scale measurement).
4	DISTCHCO – Independent variable	It was captured using the five point likert scale ranging from Strongly Agree to Strongly Disagree (5 points ordinal scale measurement).
5	DISTCHINT Independent variable	It was captured using the five point likert scale ranging from Strongly Agree to Strongly Disagree (5 points ordinal scale measurement).

Source; *Researcher's Survey* (2022)

Method of Data Analysis
This study employed inferential and descriptive statistics to analyse the data that was obtained. Multiple regressions was used as an inferential statistics to test the research hypotheses while descriptive statistics used include frequency distribution, mean and standard deviation. The hypothesis was tested at 5% level of significance. Statistical Package for Social Science (SPSS 22.0) software was a platform used for all the analyses.

4. Diagnostic Test and Result

Demographic Profiles of Respondents
This section presented the demographic profiles of the respondents in the study below.

Table 4.1 Description of Personal Information

S/N	Variable	Frequency	%	Cumulative %
1	**Gender**			
	Male	101	69.2	69.2
	Female	45	30.8	100.0
	Total	**146**	**100.0**	
2	**FMCG Distributors**			
	Unilever Nigeria Plc	17	11.6	11.6
	Procter & Gamble	44	30.1	41.8
	Reckitt Benkiser	36	24.7	66.4
	PZ Plc	16	11.0	77.4
	Nestle	13	8.9	86.3
	Henkel	20	13.7	100.0
	Total	146	**100.0**	
3	**Academic Qualifications**	12	8.2	8.2
	Below O' level	40	27.4	35.6
	OND/NCE/Diploma	90	61.6	97.3
	B.Sc./HND	4	2.7	100.0
	MBA/MSc/others	146	**100.0**	
	Total			
4	**Income Status Per Year**	13	8.9	8.9
	Below 50,000	84	57.5	66.4
	50,000 – 100, 000	49	33.6	100.0
	100,000 and above	**146**	100.0	
	Total			
5	**Marital status**			
	Single	22	15.1	15.1
	Married	124	84.9	100.0
	Total	**146**	**100.0**	

Source: Researcher field work, (2022)

Gender: The table above revealed the gender distribution of the respondents, out of which a total of 45 (30.8%) person were females and a total of 101 (69.2%) persons were male. This therefore indicated that the majority of respondents for this study were female.

FMCG Distributors: The above table indicated that Unilever Nigeria Plc has 17 (11.6%); Procter & Gamble 44 (30.1%); Reckitt Benkiser 36 (24.7%); PZ Plc 16(11.0%); Nestle 13 (8.9%); Henkel 20 (13.7%); . This implied that Procter & Gamble have the highest number of respondent for the study.

Educational Qualifications: From the table above, educational qualification indicated that a total of below O' level are 12 (8.2%); B.Sc./HND 90 (61.6%); OND/NCE/Diploma 40 (27.4%) while those who have postgraduate certificate are 4 (2.7%). This implied that majority of the respondent are BSc holders.

Income status per year: The table above indicated the income level of customers which those who earn below 50,000 are 13 (8.9%); 50,000 – 100, 000 are 84 (57.5%); 100,000 and above are 49(33.6%). This implied that those who earn between 50,000 – 100, 000 are the main respondents.

Marital status: In terms marital status of the respondents, those are married are 124 (84.9 %) while single staff are 22 (15.1%) persons were single as at the time of this study. This indicated that majority of the staff sampled for the study are married.

Test of Hypothesis

In other to actualize the current study, the research hypotheses were tested using:

H_1: *There is no relationship between current distribution channel and sales performance among selected FMCGs in Ibadan;* the findings found that there is positive and statistically significant relationship between current distribution channel (β = 0.354; t = 6.969; p = 0.000) and sales performance. On the basis of the results, we reject the null hypothesis. We conclude that there is a significant relationship current distribution channel and sales performance selected among selected FMCGs in Ibadan.

H_2: *There is no relationship between distribution channel relationship and sales performance among selected FMCGs in Ibadan*; the findings found that there is positive and statistically significant relationship between distribution channel relationship (β = 0.286; t = 7.582; p = 0.000) and sales performance. On the basis of the results, we accept the null hypothesis. We conclude that there is a significant relationship between distribution channel relationship and sales performance of selected supermarkets in Ibadan.

H_3: *There is no relationship between distribution channel components and sales performance among selected FMCGs in Ibadan;* the findings found that there is positive and statistically significant relationship between distribution channel components (β = 0.693; t = 2.784; p = 0.000) and sales performance. On the basis of the results, we accept the null hypothesis. We conclude that there is a significant relationship between distribution channel components and sales performance**.**

H_4: *There is no relationship between distribution channel intermediaries and sales performance among selected FMCGs in Ibadan;* the findings found that there is positive and statistically significant relationship between distribution channel components (β = 0.074; t = 5.451; p = 0.000) and sales performance. On the basis of the results, we accept the null hypothesis. We conclude that there is a significant relationship between distribution channel components and sales performance**.**

Relationship between Independent and Dependent Variable

Model Summary[b]

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
				R Square Change	F Change	df1	df2	Sig. F Change	
0.778[a]	0.605	0.591	0.64686	0.605	43.345	4	118	0.000	1.982

The result of the R- square is 0.605 (60.5%) from the table above which indicated that distribution channels explained systematic variations by 60.5%. This means that there is a 60.5 % factor which is a good predictor and 39.5% factors was not captured and accounted for in this study. This 39.5% does not in any way invalidated the reliability of the result. The f statistic of 43.345 with the probability value of 0.000 implies that the explanatory variables used in model are

highly relevant. This implies that there is a significant difference among the mean scores.

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	72.546	4	18.137	43.345	0.000[b]
	Residual	47.282	114	0.418		
	Total	119.828	118			

a. Dependent Variable: Sales Performance

b. Predictors: (Constant), Current distribution channel; Distribution channel relationship; Distribution channel components; Channel intermediaries

The result of the F- statistics 43.345 is significant at 0.000 (0.000 < 0.05) which implied that the distribution channel is significant in the way it influenced sales performance. Furthermore, the F- statistics implied that distribution channel affect sales performance as a whole.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.404	0.275		1.469	.144
	CHANREL$_s$	0.453	0.065	0.354	6.969	0.000
	CHANSTR$_s$	0.743	0.098	0.286	7.582	0.000
	DISTCHCO$_s$	0.245	0.088	0.693	2.784	0.000
	DISTCHINT$_s$	0.447	0.082	0.074	5.451	0.000

Source: Researcher field work, 2022

From the result, it was observed that there is positive and significant relationship between current distribution channels, distribution channel relationship, distribution channel component, distribution channel intermediary and sales performance at 5% level of significance. The details of their relationship between the dependent variable and independent variables are shown as follows: current distribution channels (β = 0.354; t = 6.969; p = 0.000); distribution channel relationship (β = 0.286; t = 7.582; p = 0.000), distribution channel component (β = 0.693; t = 2.784; p = 0.000) and distribution channel intermediary (β = 0.074; t = 5.451; p = 0.000).

5. Summary of Findings, Conclusion and Future Studies.

The study focused on the relationship between distribution channels and sales performance among selected FMCGs in Oyo State. The dependent variable is the sales performance while the independent variable is distribution channels. Based on the analyses above, the study revealed the following:

Firstly, the study showed positive and significant relationship between current distribution channel and sales performance among selected FMCGs in Ibadan. This finding is line with other empirical studies such as [41], [34] on indicators of current distribution channel and its impact on sales

performance. This provided that though the distribution structure makes it possible for distribution to take place, often hinders effective communication between manufacturer and consumer. As a result, producers may push products through distribution system without a clear view of the exact preferences of their eventual customers.

Secondly, the found that the relationship between distribution channel relationship and sales performance among selected FMCGs in Ibadan is positive and significant. This is in line with the study of [9], [10] that building effective channel relationship is important in determining how demands of global competition, reliance on single-source suppliers affect sale performance. Thus, this finding is not different from other prior studies carried out on the relationship between distribution channel and sales performance.

Thirdly, the study revealed that there is significant link between the distribution channel components and sales performance among selected FMCGs in Ibadan. The work of [42], [36] argued that service channels as distribution channels of short services using either direct channel or an agent, and posits that since stocks are not held, the role of the wholesalers, retailers or industrial distributors does not apply.

Lastly, the study found that there is significant relationship between distribution channel intermediaries and sales performance among selected FMCGs in Ibadan; the study argued along the line of other studies that efficient distribution management is a supportive marketing approach in which manufacturers expand their direct and indirect channels of distribution to arrive at diverse fragments more resourcefully and successfully [17].

The study concluded and affirmed that distribution channels have a statistically significant effect on sales performance in FMCGs. It was observed that there is positive and significant relationship between current distribution channels, distribution channel relationship, distribution channel component, distribution channel intermediary and sales performance at 5% level of significance. The findings confirmed that channel distributions significantly explain sale performance in FMCGs with the P-value of 5% and F-Statistics of 43.345. The study concluded that there is positive and significant relationship between current distribution channel, distribution channel relationship, distribution channel component, distribution channel intermediary and sales performance among selected FMCGs in Ibadan. Further studies can be carried out to examine other factors and determinants of distribution channel and their impact on sale performance. This study examined FMCGs in Ibadan but other studies can be carried out to expand the sample and change the geographical scope of the study.

COMPETING INTEREST:
I declared that the manuscript is original and has never been published anywhere or currently being considered for publication. There is no conflict of interest associated with this publication. As a corresponding author, I confirm that the manuscript has been read and approved by me for publication.

Reference

[1]. B. Bronnenberg, P. Ellickson, "Adolescence and the path to maturity in global retail." *Journal of Economic Perspectives*, vol. *29*, issue. 4, pp. 113-34, 2015.

[2]. C. émuzat, J. Dorey, O. Cristeau, D. Ionescu, G. Radière, M. Toumi, "Key drivers for market penetration of biosimilars in Europe." *Journal of market access & health policy*, vol. *5,* issue. 1: 1272308, 2017.

[3]. I. Njoku 1keji, K. Onumajuru, "Effects of Transportation on the Nigerian Economy" *World Academics Journal of Management,* vol.9, issue. 4, pp. 01-06, 2021.

[4]. B. Rosenbloom, "Marketing channels: A management view". Mason, Ohio: Centage Learning, 2013.

[5]. A. Adejumo, "Integrating Implementation Strategy, Challenges and Success Factors of CRM and e-CRM among Selected FMCG in Nigeria". *International Journal of Business*, vol. *2,* issue. 1, pp. 27-35, 2019.

[6]. A. Adesoga, A. James, "Channel strategy and marketing performance of selected consumer goods firms in Lagos State, Nigeria." *Academy of Marketing Studies Journal*, vol. *23,* issue1, pp. 1-18, 2019.

[7]. J. Agarwal, "The changing nature of global marketing: a new perspective." In *Emerging Issues in Global Marketing* (pp. 3-11), 2016.

[8]. J. Amankwah-Amoah, N. Boso, Y. Debrah, "Africa rising in an emerging world: an international marketing perspective." *International Marketing Review, vol. 35, issue. 4, pp. 550-559, 2018.*

[9]. K. Arshinder, "An integrative framework for supply chain coordination." PhD dissertation, Indian Institute of Technology Delhi, New Delhi, 2008.

[10]. K. Arshinder, A. Kanda, A. Deshmukh, "A review on supply chain coordination: coordination mechanisms, managing uncertainty and research directions." In *Supply chain coordination under uncertainty*, pp. 39-82, 2008.

[11]. A. Bamidele, R. AdenusI, T. Osunsanmi, "Towards Improved Performance in Marketing: The Use of Property-based websites by Estate Surveyors and Valuers in Lagos, Nigeria." *Journal of African Real Estate Research*, vol. *3,* issue. 1, pp. 81-93, 2018.

[12]. F. Musso, "Technology in marketing channels: present and future drivers of innovation," *International Journal of Applied Behavioral Economics (IJABE),* vol. 1, issue. 2, pp. 41-51, 2012.

[13]. B. Louis, "A Theory of Distribution Channel Structure," Berkeley: Institute of Business and Economic Research, University of California. Business and Research, vol. 23, issue. 2, pp. 124-144, 1996.

[14]. V. Bruggen, G. K. Manish, C. Nieuwlaat, "The impact of channel function performance on buyer–seller relationships in marketing channels" *International Journal of Research in Marketing*, vol. 22, issue. 2, pp. 141-158, 2005.

[15]. M. Pop, N. Racolta-Paina, "The what and how of marketing performance management." *Management and Marketing Challenges for the Knowledge Society*, 8(1), 129-146, 2013.

[16]. D. Ellis, L. Jacobs, "Marketing Utilities: A new look." *Journal of the Academy of Marketing Science*, vol. *5, issue.* 1, pp. 21-26, 1977.

[17]. Y. Emmanuel, "Influence of entrepreneurship education, technology and globalisation on performance of SMEs in Nigeria." *African journal of business management*, *11*(15), 367-374, 2017.

[18]. H. Michael, S. Thomas, "Business marketing management-B2B," Painos. Canada: South-western, Cengage Learning, 444, 2013.

[19]. P. Kotler, K. Burton, "Marketing Management," 15ᵗʰ edition, Pearson Education Australia: Frenchs Forest, 2008.

[20]. Y. Gao, "Measuring marketing performance: A review and a framework." *The Marketing Review*, vol. *10*, issue. 1, pp. 25-40, 2010.

[21]. W. Haftu, "The Effect of marketing mix tools on Customer Satisfaction: Case study of Wegagen bank," *Addis Ababa University, 2020*.

[22]. N. Hassanzoy, "Agricultural marketing for a small agribusiness: A training manual."

[23]. J. Islam, H. Hu, "A review of literature on contingency theory in managerial accounting." *African Journal of Business Management*, vol. *6*, issue. 15, pp. 5159-5164, 2012.

[24]. J. A. Ajegetina, "*Assessing the distribution strategies of beverage companies in Ghana and its impact on sales performance: a case of Guinness Ghana Breweries Limited (GGBL)* (Doctoral dissertation)", 2016.

[25]. J. Mariyono, J. Waskito, A. Kuntariningsih, S. Gunistiyo, "Distribution channels of vegetable industry in Indonesia: impact on business performance." *International Journal of Productivity and Performance Management,* vol. 69, issue. 5, pp. 963-987, 2019.

[26]. R. Mehta, R. Anderson, A. Dubinsky, J. Mansur, P. polsa, Managing Channel partner relationship." *Journal of Global Marketing,* Vol. 24, issue. 2, pp. 105-124, 2011.

[27]. P. Sergio, M. Mendoca, "Relationship analysis of B2B channels: A case study on channel relationship in Brazilian agribusiness companies." *African Journal of Business Management*, vol. *8*, issue. 21, pp. 1029-1042, 2014.

[28]. J. Mukherjee, "Setting Up Distribution Channel for Elixir Health Drink." *Vision*, vol. *24*, issue. 4, pp. 520-526, 2020.

[29]. A. Mulky, "Distribution challenges and workable solutions." *IIMB Management Review*, vol. *2, issue. 5*, pp. 179-195, 2013.

[30]. S. Musalia, "Effectiveness of marketing mix elements on sales volumes for over the counter medicines for multinational pharmaceutical companies in Kenya (Doctoral dissertation, Strathmore University)", 2019.

[31]. B. Mustapha, M.I. Ibrahim, "Marketing Channel Conduct and Margin on Performance of Soft Drink Distributors in Maiduguri, Borno state, Nigeria". In: 4th Conference on Business Management, 29 - 30 October 2017.

[32]. A. T. Odupitan, "Understanding the distribution channels of fast moving consumable goods (FMCG) of food industry in Nigeria," *International Journal of Applied Economics, Finance and Accounting*, vol. *3,* issue. 1, pp. 37–47, 2017.

[33]. O. S. Ogunmola, K. K. Arogundade, "Effects of supply chain DESIGN and collaboration on customers' satisfaction of instant noodles in Ekiti State, Nigeria." *Logistics*, vol. *3*, issue. 1, pp. 2-15, 2019.

[34]. E. O. Olutade, M. Potgieter, A. W. Adeogun, "Effect of social media platforms as marketing strategy of achieving organisational marketing goals and objectives aong innovative consumers: Acomparative study." *International Journal of Business and Management Studies*, vol. *8,* issue.1, pp. 213-228, 2019.

[35]. B. Othman, A. Harun, N.M. De Almeida, Z. M. Sadq, "The effects of customer satisfaction and customer loyalty by integrating marketing communication and after sale service into the traditional marketing mix model of Umrah travel services in Malaysia." *Journal of islamic marketing,* vol. 12, issue. 2, pp. 363-388, *2020.*

[36]. R. Palmatier, L. Stern, A. El-Ansary, E. Anderson, "*Marketing channel Strategy*." New York: Routledge, 2016.

[37]. J. O. Oladipo, O. O. Arulogun, "Impact of Marketing Communication on Consumer Buying Behavior and Organizational Performance: Evidence from Selected Food and Beverage Firms" *World Academics Journal of Management,* vol.8, issue. 4, pp. 27-32, 2020.

[38]. T. Prabhuram, R. Mohan, Y. Tan, R. Johnson, "Performance evaluation of Omni channel distribution network configurations using multi criteria decision making techniques". *Annals of operations research*, vol. *288,* issue. 1, pp. 435-456, 2020.

[39]. K. Roy, S. Ray, "Birla Sun Life Asset Management Company-Harting A Unique Success Trajectory." *Journal of the International Academy for Case Studies*, vol. *23*, issue.3, pp. 1-15, 2017.

[40]. H. Saremi, S. Masomeh, M. Zadeh, "Management of distribution channels." *Indian Journal of Science and Research*, vol. *5,* issue. 3, pp.452-456, 2014.

[41]. A. S. Singh, I. M. Dar, "Problems faced by FMCG channels in rural areas of Bhopa and Hoshangabad district of M. P. India." *International Journal of Business Quantitative Economics and Applied Management Research*, vol. 1*,* issue. 1, pp.151-158, 2014.

[42]. B. Worku, "Analyzing Sales Performance of Fixed Line Telephone Service-The Case of Ethiopia Telecommunication," 2017.,

[43]. I. J. Jomomoh, D. J. Enimola, A. Nafiu, "Effects of Marketing Strategies on the Performance of Small and Medium-Scale Enterprises in Kogi State." *Nigeria: Kogi State University, 2019.*

AUTHOR'S PROFILE

Sanusi Mutiu Opeyemi is a permanent lecturer in the *Department of Business administration Federal Polytechnic Offa, Kwara State.* His area of interests are marketing management, business policy and strategy. He holds B.Sc in business Administration and M.sc in Marketing from University of Lagos.

Call for Papers:

Authors are cordially invited to submit their original research papers, based on theoretical or experimental works for publication in the journal.

Make a Submission

All submissions:
- must be **original**
- must be **previously unpublished research results**
- must be **experimental or theoretical**
- must be in **the journal's prescribed Word template**
- and will be **peer-reviewed**
- may not be **considered for publication elsewhere at any time during the review period**