

Impact of Marketing Communication on Consumer Buying Behavior and Organizational Performance: Evidence from Selected Food and Beverage Firms

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Available online at: www.isroset.org

Received: 07/Oct/2020, Accepted: 07/Dec/2020, Online: 31/Dec/2020

Abstract— This study relates the impact of marketing communication on consumer buying behaviour and organization performance with evidence from selected food and beverage firms in Nigeria Stock Exchange (NSE) for a period of ten years (2006-2016). The qualitative research design was used for this study. Primary data was collected through a structured questionnaire. Descriptive analysis, linear regression, and ANOVA were used. The results of ANOVA revealed that Personal Selling (PS) have significant effect on Impulse Buying Behaviour (IBB), also the results of regression established relationship between Marketing Communication and Organization Profitability. The implications is that the organization must understand what influence consumers decision. It can be concluded that marketing communication is a versatile tool used in getting the attention, educate, influence, convince, customers and its prospects. It plays significant roles in the life of customers and organization. Marketing communication has significance impact on consumers buying behaviour, organization market shares and organization performance positively.

Keywords—Marketing communication, Consumer, Buying behavior, Organizational performance.

I. INTRODUCTION

From economic perspective, customer's needs are uncountable, different and unappeasable. Most firms find it difficult to identify best communication strategy that will best present their offerings and at the same time get the attention of their target audience, and prospect. Most customers exhibit different attitudes and behaviors when buying products; products prices influenced some of them, while quality satisfied others. Meanwhile, many organizations have not really understand communication tools that will best communicate their intention to their customers. Therefore, the potentiality of marketing communication to influence consumers buying behaviors and organizations performance remain an issue of concern to scholars and it remains a mystery till present day.

While management focus is about how organizational vision and mission will be achieved, industry, be it manufacturing, services, and others deployed various strategies in a manner that sees their products to be one of the most sought after in the market,[5].

Organizations want their "cash-cow" products to become "star", they want to use all mechanism to transform "question mark", and "dog products" to "star" for them to achieve their set objectives. To realize these, they must inform their target audience about their offerings, its

unique benefits, convenient location to get it, and its values.

Therefore, strategies that will deliver the message accordingly must be deployed. As stakeholders were striving to keep customers as the King, marketers must think of way to satisfy consumers, create awareness, and inform them about the existing offering and benefits[9,8]. However, to ascertain the channels, or tools that will deliver the message accordingly has become an issue. Therefore, an appropriate strategy must be sought to commit the target audience through the available marketing mix which is referred to as marketing communications.

Chartered institute of marketing (CIM) posited that, marketing communications are the tools to deliver promotional information's to its target markets. And different mix can be deployed. [6] posited that marketing communications is the "Promotion" of the 7Ps in marketing which are (products, promotion, price, and placement. people, process and physical evidence) which involves all strategies, methods and ways of getting target audience attention. It is a symbolic tool that added organizational interactions with many of its stakeholders in the market through promotion of goods and services. [6] therefore, stated that marketing communications is a strategy around which sales and marketing is predicated.

Globally, communication power is identified as tools to influence consumer decisions and performance. Literatures also emphasized that communication strategies influences both consumers and organization performanc. While, human behaviour generally is unpredictable with no exception to buying practice, for an organization to achieve its set goals, target audience must be considered before deploying any tools. These tools includes; personal selling, direct marketing, advertising, sales promotion of any kind, publicity and public relation which has significant effect on consumers buying behavior, [4].

II. RELATED WORK

Authors have identified that consumer buying behaviour as part of attitude people engaged in during purchasing, utilizing and disposing of different products and services. [12] affirmed that consumer's behaviour could be routine buying, limited buying, extensive and impulse buying. Therefore, organization applied different marketing communication tools to these identified behaviors'with the assumption that it will improve sales, profitability, market shares and so on, and these are the major parameters to measure organization performance.

[13] affirmed that personal selling influenced decision, advertising or sales promotion also triggers the buying intention of others. Meanwhile, organization must ascertained the best tools and strategies that will enhance better performance to achieve their stated objectives. The choice of the right communication tools has thus been of serious concern to organizations, knowing that only appropriate marketing communication guarantee and improved organization performance. [6] posited that organizations find it difficult to identified appropriate communication mix that will penetrate, get the attention, convince, influence, induce and seduce or promote consumer loyalty that will increase organizations performance. [10] evaluated that most firms have no information on what determines the promptness or trigger consumer buying decision. Since marketing communication tools elicit certain behaviour either positively or negatively in consumers buying attitudes, such behaviour is a direct result of the type of tools employed by the organization.

[3]argued that personal selling as an authentic and most effective tool that stimulated consumers behaviour has however been subject to criticism. Many organizations could not adopt a suitable and generally accepted communication tools that will make their products most sought after and have positive impact on their performance at long run. On a general note, stakeholders expectations in the business world particularly food and beverage firms in Nigeria are to see a situation where marketing communications tools will wholly and collectively be able to engender high organization profitability which is the hallmark or determinant of performance.

Empirically, evidence has shown that marketing communication on consumer buying behaviour have both significant and positive effects on the organization performance across the globe. [1] examined the relationship between Marketing Communications and companies' sales and profits. Five companies were reviewed among which are one bank and four selected quoted foods and beverages companies in Nigeria. Marketing communications tools were used to examine how the sales and performance were boost, how the tools save time, money and stress were all investigated. Descriptive research design was adopted. Content validity and test of reliability was done with coefficient of 0.96 indicating high degree of consistency. Pearson's Product Moment Correlation Coefficient was used to test the hypotheses, Chi-Square (X^2) and Z-test statistical tools.

The result arrived at revealed significant relationship between marketing communication and companies' profitability. Likewise, it was revealed that communication save time, money and reduced stress. Result also revealed that there were suitable indicators such as profitability, market share, sales growth, sales income, price premiums, brand awareness, channel cooperation, customers' satisfaction, brand loyalty and many more. Management used this to measure the effectiveness of marketing communication programs. Therefore, recommendation were made for organization to evaluate and implement marketing communication program cover any gap created by changes

[11] researched in Iran on factors influencing consumer satisfaction, increase sales, branding and market share of mascara products. Data were collected and analysed. The study measure customer's satisfaction with the variables such as, product originality, price, quality, packaging, distribution channel, superiority, after selling service, update information of website and accuracy of information on company's website. The results established significant relationship between the variables

[2], examined the influence of marketing communication on the motivation, attitude, learning, perception and effective consumer behavior. The study analyzed marketing communication tools that can offer consumers a valuable experience, it was established that communication mix has to include experimental marketing with specific activities, take the brand essence, bring it to life and create unique experiences which focused on consumer emotions. It was established that emotions have significant relationship with the brand personality, customers filling and values that connect the consumer emotions, intellectual and physical. It was further revealed that with customer valuable experience, appropriate location and different medials providing consumers with what they required. All these may likely driven buying decision than any marketing channel; marketers need to use experimental marketing to leverage the effectiveness of marketing communication impact on consumer buying behaviour.

Authors identified different buying behaviors, some emphasized personal selling, advertising and sales promotion influenced buying decisions. While, other focuses on the identification of appropriate communication tools and its failures on what influenced different customers buying decision. There are criticisms on authentication of appropriate tools that can stimulate consumer buying decision. Therefore, this study focused primarily on foods and beverages firms in Nigeria. It has thus filled the gap by underpin the combined effects of marketing communication and consumer buying behavior on organization performance in selected industries in Nigeria. The study has decided to conceptualize as thus;

$$MC \Rightarrow CB_b \Rightarrow O_{RP}$$

Where,

MC = Marketing communications

CB_b = Consumer Buying behavior

O_{RP} = Organization performance

III. METHODOLOGY

This research cover selected quoted companies in Nigerian Stock Exchange (NSE) for a period of ten years (2006-2016). The qualitative research design was used, both Primary and Secondary data were used to generate necessary information for the study, four western states of the Country (Lagos, Ogun, Oyo and Ondo) were considered for the collection of primary data based on their characteristics which are population, and economic exposures. The primary data employed consisted of a structured questionnaire wherein respondents opinions were graduated using Likert scale design.

The questionnaires were distributed among organizational marketers, shoppers and outlet managers at major supermarkets (names of supermarkets) in the state capitals. Four hundred (400) copies of questionnaire were used across the selected states. The secondary sources consist of data gather from the audited annual reports of the sampled firms from 2006 to 2016. ANOVA and correlation analysis were used to analyzed primary data, while, panel data analysis was used to analyses secondary data from the results of panel analysis, Hausman’s test considered fixed effects regression analysis to be suitable for the study

Model Specification

The mathematical functions explain the relations and variability of the variables, the linear regression postulated align consumer behavior with marketing communication tools;

$$Y = f(X_1 + X_2 + X_3 + X_4 + X_5 + X_6 + X_7 + \mu) \tag{1}$$

$$OP = X_1PSL + X_2 ADV + X_3 SLP + X_4 PRP + X_5 DRM + X_6IMP + X_7PRG + \mu$$

- OP = Organization Performance
- PSL = Personal Selling
- AVD = Advertising
- SLP = Sales Promotion
- PRP = Public Relation and Publicity
- DRM = Direct Marketing

- IMP = Impulse Buying Behaviour
 - PRG = Programmed Buying Behaviour
- PERSONAL SELLING VARIABLES
- CR= company representatives
 - FTFA = face to face advice
 - PP = products presentation
 - PD = products display
 - PA = peoples advice

IV. RESULTS AND DISCUSSION

Table 1. Characteristic of Respondents

S/N	Bio data variables	Grouping	Frequenc y	Percenta ge
	Sex	Male Female	139 261	34.8% 65.2%
2	Marital Status	Single Married Others	133 258 9	33.4% 64.6% 2%
3	Age	18-25 26-35 36-45 46-55 56- Above	29 59 208 74 30	7.2% 14.8% 52% 18.6% 7.4%
4	Academic Qualification	OND/NSC/ NURSE HND B.SC MBA/M.S C Others	14 52 219 77 38	3.6% 13% 54.8% 19.2% 9.4%
5	State of Residence	Lagos Ogun Oyo Ondo	100 100 100 100	25% 25% 25% 25%
6	Occupations	Civil servant Public Servant Artisan Farmer Others	130 167 81 17 5	32.4% 42% 20.2% 4.2% 1.2%
7	Buying years of Experienced	Less than 2years Above 31 5years Once in a while Of recent My first time	33 311 31 18 7	8.2% 77.8% 7.8% 4.4% 1.8%

Table 2. Regression

Personal selling on consumer’s impulse buying behavior							
Dependent Variable	Independent Variables	Coefficient	Standard Error	t.	P > t	95% coefficient	Interval

Impulse Buying Behaviour	CR	.089278	.0480179	1.86	0.064	-.0050666	.1836225
	FTFA	FTFA	.0281838	3.53	0.000	.0441357	.1548855
	PP	PP	.0448802	0.74	0.461	-.0550531	.1213063
	PD	PD	.0406972	5.09	0.000	.127176	.287098
	PA	PA	.0291565	-0.11	0.914	-.0604493	.0541229
R Squared	Adjusted	R-Prob > F	F (5, 494)	Rot MSE	R squared		
0.0828		0.0000	8.91	.80268			
	0.80268						

Source: Researcher computation, 2020.
R-squared = 0.0828

Table 3 OLS Pooled regression

Marketing communications and organizational performance.							
	Variables	Coef.	Std. Err.	t	p> t	Adj. R2	F-value
Op	_cons	4.33e+08	5.32e+08	0.81	0.418		
	Sp	.8311286	.1069242	7.77	0.000		
	Ps	.1400469	.0447105	3.13	0.002	0.8494	0.000
	Ad	.5006128	.1614669	-3.10	0.003		
	Dm	.7389958	.2157429	3.43	0.001		

**>0.05, Significant
Source: Author's Computation, 2020

Table 4: Hausman Test Model

Op	Variables	Coef.		Diff. (b-B)	chi2(2)
		(b) Fe	(B) ra		
	Sp	.9102393	.1027503	.538781	
	Ps	.2016964	.0196315	.0135581	0.1162
	Ad	-.7712605	.0495001	.0307162	
	Dm	.1946849	.422413	.1861538	

** < 0.05, Significant
Source: Author's Computation, 2020

Table 5: Random-Effects GLS Model

	variables	Coef.	Std. Err.	z	p> z	Wald chi2(4)	P-value
Op	_cons	-3380057	2116133	-1.60	0.110		

	variables	Coef.	Std. Err.	z	p> z	Wald chi2(4)	P-value
Op	_cons	-3380057	2116133	-1.60	0.110		
	sp	.9102393	.1139597	7.99	0.000		
	ps	.2016964	.0466974	4.32	0.000	683.57	0.0000
	ad	.7712605	.1559653	-4.95	0.513		
	dm	.1946849	.2977299	0.65	-1.60		

* < 0.05, Significant
Source: Author's Computation, 2020

Table 6: Correlation matrix

	op	sp	ps	ad	dm
op	1.0000				
sp	0.8908	1.0000			
ps	0.7836	0.7407	1.0000		
ad	0.3251	0.2879	0.6768	1.0000	
dm	0.7697	0.6994	0.8431	0.6437	1.0000

Source: Author's Computation (2020)

Discussion

Table 1 showed the socio-economic characteristics which covered sex, marital status, age, academic qualification, State of residence.

From Table 2: A linear regression established that personal selling could statistically predict consumer's impulse buying behavior. The results(F (5, 494) = 8.91, Prob. > F = 0.0000, R²= 0.83.Adjusted R² = 0.74) estimated that personal selling has positive significant effect on consumer impulse buying behavior, the degree of confidence (73.8%) of variability between personal selling and impulse buying behavior. The results(CR: Coeff= .089278, t= 1.86, p = 0.064, FTFA: Coeff =.0995106, t= 3.53, p= 0.000,PP: Coeff= .0331266, t = 0.74, p = 0.461) (PD: Coeff. =.207137, t= 5.09, p= 0.000, PA: Coeff =-.0031632, t= -0.11, p= 0.914) revealed connectivity and significant relationship between personal selling and consumer impulse buying behaviors. The result further revealed that there was insignificant associated between Consumer impulse buying behavior and people's advice, at 95% confidence interval.

The coefficient result shows that a percentage increase in proportion of personal selling variables will lead to corresponding increase or decrease in consumer impulse buying behavior. Therefore, this implies that the explanatory variables (i.e. CR, FTFA, PP and PA) have associated significant effect on the consumer's impulse buying behaviors. These results are in agreement with similar studies that used linear regression, [30] studied personality- its impact on impulse buying behaviour among the retail customers in India. [29] studied the impact of personal selling on the purchasing behavior towards clothes using youth category as a case study in Jordan among others.

The results in table 3: (SP: Coeff. = .8311286, $t = 7.77$, $p = 0.000$. Ps: Coeff. = .1400469, $t = 3.13$, $p = 0.002$. Ad: Coeff. = .5006128, $t = -3.10$, $p = 0.003$. Dm: Coeff. = .7389958, $t = 3.43$, $p = 0.001$). Adj. $R^2 = 0.8494$, $p = 0.000$) established relationship between marketing communications and organizational performance. The components of marketing communications show the degree of individuality and level of correlation with each other. The implication is that all of the components of marketing communications have significant effect and positive relationship with organizational performance at 95% confidence intervals.

Table 4 shows that if the p - value of the Hausman test is less than 0.05, we have a preference to use a fixed effects model. On the other hand if the p -value of the Hausman test is more than 0.05, However, Hausman test $p = 0.1162 > 0.005$, by implication random effects model tested positive. The findings, establish that marketing communications has influence on organizational performance.

Table 5 revealed the Random-effects model shows that (Sp; .9102393, $z = 7.99$, $p = 0.000$. Ps; .2016964, $z = 4.32$, $p = 0.000$. Ad; .7712605, $z = -4.95$, $p = 0.513$. Dm; .1946849, $z = 0.65$, $p = -1.60$). sales promotion, personal selling have positive relationship while advertising has negative relationship but significant, direct marketing has negative relationship and insignificant on organization performance. The value of Wald chi square test (F-value) equal to 683.57, $p = 0.000$. This signifies that the overall model is statistically significant. The more the Wald chi square test (F value) the more the model is considered significant. Wald chi square test value shows that 68.36% change in dependent variable is because of change in independent variables at 95% confidence intervals.

In the quest to ascertain the direction of relationship between variables employed in the study, the study conducted correlation analysis. The result of the analysis presented in Table 4, revealed the simultaneous direction of movement between pairs of variables. Though the reported statistic does not connote causal-effect relationship, however the statistics revealed how the pooled observations of variables move together over time. From the table, it was revealed that organizational performance (OP) correlated positively with sales promotion (SP), personal selling (PS), advertising (AD) and direct marketing (DM).

Specifically the table reported correlation coefficients of 0.8908, 0.7836, 0.3251, and 0.7697 for pairs including OP and SP, OP and PS, OP and AD, OP and DM respectively. The reported correlation between organizational performance and other variables employed in the study shows that organizational performance has strong correlation with consumer buying behaviour. Correlation values of 0.7407, 0.2879, 0.6994, for OP and PS, OP and AD, OP and DM, respectively. The reported coefficients revealed that there is strong positive correlation with organizational performance and variables like, personal

selling and direct marketing while the correlation between organizational performance and advertising has positive but weak relationship. Correlation values of 0.6768, 0.8431 and 0.6437, for OP and PS, OP and AD, OP and DM, OP and DM respectively.

The reported coefficients revealed that there is strong positive correlation between organizational performance and personal selling, advertising and direct marketing while there is a strong and positive correlation between organizational performance and direct marketing. However the establishment of the correlation between the dependents and independents variables of the study does connote the direction and magnitude of causal-effect relationship that exist between them, hence the reported coefficient is only meant to give first hand overview of the direction of movement of each pairs of variables employed in the study.

V. CONCLUSION AND FUTURE SCOPE

Based on the findings of this study, it can be concluded that marketing communication is a versatile tool used in getting the attention, educate, influence, convince, customers and its prospects. It plays significant roles in the life of customers and organization. Most especially, when organization has a clear and better understanding of the best strategy to present the company offers, in away to get total attentions of both customers and prospects, if the best strategies were identified and implemented. Marketing communication has significance impact on consumers buying behaviour, organization market shares and organization performance positively.

It is suggested that same study should be carry out in other sectors of economy, further more a comprehensive study that will take into consideration the degree at which, each element of independent variables will influence or its level of significance on consumers buying behaviour and organization performance should also be carried out. In addition to this, the present models could be expanded to accommodate more independent variables that are not captured in this study for better generalization of the findings.

ACKNOWLEDGMENT

The authors would like to express the sincere gratitude and appreciation to Owolabi A. Usman, Dean Faculty of Management Sciences LAUTECH. Ogbomoso and Bello, O.S of Department of Pure and Applied Chemistry LAUTECH. Ogbomoso who patiently guided, encouraged and assisted them throughout the process of writing this paper

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Arulogun Olaleye attended prestigious University of Ado Ekiti,(now Ekiti State University) between 2003-2008 and graduated with Bsc. (Hons.) Economics. He enrolled for his Master programme at Ladoke Akintola University of Technology, Ogbomoso in the year 2012 and graduated with M.Tech Management Science. Being an erudite scholar he went further to enrol for his Doctor of Philosophy (Ph.D) Management Science (Financial Management) from Ladoke Akintola University of Technology, Ogbomosowhich has reached a final stage.

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