INTEGRATED MARKETING COMMUNICATION AND CUSTOMER LOYALTY IN CARBONATED SOFT DRINKS INDUSTRY: EVIDENCE FROM LAGOS STATE, NIGERIA

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Abstract

The study examined integrated marketing communication and customer loyalty among carbonated soft drinks consumers in Lagos State, Nigeria. The study adopted cross sectional survey research design with the use of research questionnaire to gather data. The population of the study consisted of 192 consumers of Carbonated soft drinks in Lagos state, as provided by Nigerian Botling company, with a Sample size of 142 using Taro Yamane formula. The sampling technique used was simple random technique. A sample size of 142 respondents drawn from consumers in Lagos state. The study hypothesis was subjected test to achieve the research objective and determine the relationship between the independent variable on the dependent variable. Data collected were analysed through the use of regression analysis to determine the relationship between the two studied variables. The study findings show that integrated marketing communication through Advertising, sales promotion and personal selling have significant influence on customer loyalty for the consumption of Coca-Cola in Lagos state. The study concluded that Nigeria bottling company has successfully used integrated marketing communication strategies to become market leader in the carbonated soft drinks sector in Lagos state. Also, the firm has captured people's perception for its product through integrated marketing communication in Lagos state. This has enabled the firm to remain competitive in the Nigeria market, and enjoy increase in customer loyalty for its product. The study recommended the need for soft drinks manufacturers to embrace the use of effective integrated marketing communication that is culturally incline or adapt strategically to local culture so as to gain customer loyalty.

Key words: *Consumers, Customer Loyalty, Strategies, Integrated Marketing Communication, Nigerian Market*

Introduction

The carbonated soft drinks (CSD) industry remains one of the most dynamic and competitive sectors in the global beverage market and as consumer preferences evolve and health trends gain momentum, the industry is experiencing significant shifts (Market Research Future, 2024). The industry was valued at USD 416.19 billion in 2021. The carbonated soft drinks market industry is projected to grow from 432.60 billion in 2024 to USD 605.80 billion by 2030, exhibiting a compound annual growth rate (CAGR) of 4.3% during the forecast period (2024 - 2030), (Market Research Future, 2024). There are currently over 100 soft drink brands made or bottled in Nigeria from about 15 bottling or drink manufacturers, two-thirds of these are indigenous Nigerian firms (Thread strategy,2019). Looking at our burgeoning population, high humidity and temperature as well as the growth of health-conscious middle-income consumers who recognise the need to maintain rehydration and electrolyte balance; more soft drinks are expected to launch in the coming years (Thread strategy,2019). By implication there may be need for more mergers or acquisitions as in the case of Coca-Cola and House of Chi. The same way, indigenous firms are expected to defend their business against new entrants. All these will have to be determined by the loyalty of each operating brand in Nigeria.

Customer loyalty discourse has become a strategic issue among scholars in recent times (Rauyruen & Miller, 2007 cited in Firdaus, et al, 2022). By implication, business survival is subject to customer loyalty and not limited to search for new ones; thus, loyal customers are precious assets for organizations (Kotler et al., 2019). Also, Kotler and Keller (2016) opined that customer loyalty involves the behaviour to purchase or use again the same product in the future irrespective of any change in market conditions. Previous study by Simanungsong, et. al., (2018) indicates that the adoption of integrated marketing communication can produce long term customers' commitment. Hence, soft drinks manufacturers are expected to adopt integrated marketing communication strategies to keep customers loyalty, through the integration of advertisement, personal selling, public relations and sales promotion adaptation. In addition, the changing customers' expectations have led loss of customers, less profit-generating, low sales, and unstable revenue among some soft drinks manufacturer (Cyril et al., 2020). All these studies look at promotional mix as a single tool that can be adopted in isolation. However, few empirical research has been conducted in the area of integration of these communication tools for a more strategic approach in solving the problems of customer loyalty towards a company's product which this study seeks to close the identified gaps.

It is from this understanding this study attempts to research on integrated marketing

communication and customer loyalty among carbonated soft drinks consumers in Lagos state, Nigeria as its main objective.

Hypothesis

H_o: There is no significant relationship between integrated Marketing Communication and Customer loyalty in the carbonated soft drinks industry.

Literature Review

Integrated Marketing Communication

In an increasingly competitive marketplace, organizations must adopt a holistic approach to engage their audiences effectively, and Integrated Marketing Communication (IMC) serves as a strategic framework to achieve this goal (Afifi, et.al.2022). according to Gardiner (2009), Integrated Marketing Communication can be defined as the practice of unifying various communication channels to deliver a consistent message that resonates with consumers across multiple platforms. This approach not only enhances brand recognition but also fosters customer loyalty by ensuring that all marketing efforts—be it advertising, public relations, or digital media—work synergistically rather than in isolation. As technology continues to evolve, consumers are exposed to a myriad of messages, making it essential for marketers to create a cohesive narrative that captures attention and drives conversion (Afifi, et.al.2022).

Integrated Marketing Communication (IMC) is defined as a strategic approach that merges various promotional tools and techniques to deliver a unified message to consumers (Ellitan 2021). The importance of IMC lies in its ability to enhance brand consistency across multiple channels, thereby improving customer engagement and trust. By coordinating advertising, public relations, direct marketing, and social media, businesses can create a more compelling and cohesive narrative that resonates with their audience (Cateora, et al, 2010). This synergy not only streamlines marketing efforts but also reinforces brand identity, making it crucial for achieving competitive advantage in today's dynamic marketplace. Moreover, effective IMC practices can significantly impact customer loyalty, as cohesive messaging fosters a deeper emotional connection with consumers, ultimately driving sales and brand advocacy. Thus, embracing an integrated approach is essential for organizations aiming to navigate the complexities of modern marketing effectively (Low, et. al.2012). The components of Integrated Marketing Communication (IMC) are crucial for creating a cohesive brand narrative that resonates with target audiences. These components include advertising, public relations, sales promotion, personal selling, and direct marketing, each serving a unique purpose while contributing to overall brand consistency (Cateora, et al, 2010). Advertising utilizes various media to communicate value propositions, whereas public

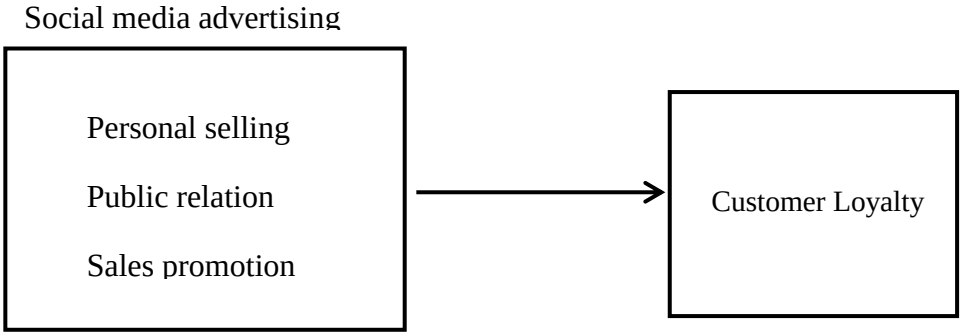
relations foster favorable relationships and manages the brand image. Sales promotions stimulate consumer interest through incentives, while personal selling strengthens customer relationships through face-to-face interaction (Alarcón del Amo et al., 2017). Direct marketing facilitates personalized communication, allowing for targeted outreach (Van Neuss, 2018). In the contemporary landscape of Integrated Marketing Communication (IMC), the incorporation of digital media has become indispensable for effectively engaging diverse audiences. Digital platforms facilitate real-time interaction and the dissemination of tailored content, enhancing the capacity for targeted marketing strategies. (Afifi et al., 2022). Utilizing digital media not only reinforces branding efforts but also fosters deeper audience connections through engagement and personalization. Consequently, the strategic integration of digital media in IMC is not merely beneficial but crucial for maintaining relevance in todays fast-paced marketing ecosystem (Holst et al., 2017).

Customer Loyalty

Customer loyalty has emerged a fundamental aspect critical to business long-term (Chhabra 2017). Customer loyalty is conceptualised as customers' commitment over a period of time through frequent product purchases (Mohd Suki, 2016). It has been found that manufacturers of soft have always engaged the use of marketing mix to gain customer loyalty in the competitive sector (Bijmolt & Verhoef 2017; Leenheer & Bijmolt 2008), to achieve 90% customers connection (Morgan 2020). Previous study by Juli Ismanto, (2020), mentioned that consumer loyalty represents commitment to something that involves absolute and unwavering attitude that last longer between customers and the firm. Although diverse views opine that customer loyalty has transcend the traditional approach based on other externalities; as other situational factors may influence customers to change (Kotler & Ketler, 2009). However, Dick and Basu in Kotler (2011), espoused that customer loyalty is delineated into 4 categories, which are (a), inconsistent loyalty these categories of customers switch producers, (b), Untrue loyalty, customers in this category buy product at convenience, since they have a choice of elsewhere. (c), Situational loyalty, the customer makes purchases based one reason or the other. (d), these customers remain loyal and feel proud of the frequent commitment, make recommendation to others. Therefore, previous study indicated that despite different category of customers quality product have the capacity to influence and sustain customers commitment (Irawan & Japarianto, 2013), and this was supported with earlier study that quality product has capacity to influence and sustain customers commitment for consumable products (Agiesta, Sajidin, & Perwito, 2021).

Conceptual Framework

Figure 1: Integrated Marketing Communication



Source: Researcher model 2024

Theoretical framework

The theory that underpinned the study is the Tripartite Theory of Attitudes. The theory was coined by Spooncer (1992) and it was better equally called the Tripartite Model. The model delineate three aspect of customers attitude which are; Feelings, Beliefs and Behavior. Feeling is seen a customer's emotions, faith explains individual cognitive response, while behaviour indicates customers explicit actions towards environmental stimuli. Similarly, Dick and Basu (1994), stated that the theory expressly espoused that customer loyalty and relative attitude can be made strong or in effective by these three attitudinal factors; feelings (affective), beliefs (cognitive) and behaviour (conative) components (Jensen, 2011). The affective element indicates how customers feel emotionally towards a brand when inspired by promotional strategies. The cognitive constituent refers to the knowledge and beliefs customers have about a brand and conative/ component is multi-faceted. It refers to how customers behave towards a brand, and these behaviors lead to actual product purchase, making recommendations or even discussing its pros and cons with others (Jensen, 2011). The theory relevance to the study is premised on the provision of clear insight of how consumers' cognitive and affective responses firms' brand. This directly affects how they act towards it a product before becoming loyal. Hence, the theory is found relevant to this discourse based on the firms connecting a product to the people based on preferences and culture to create loyalty.

Empirical review

Previous study by Okechwuku and Kalu (2020) investigates the role of differentiating a soft drink product in terms of adaptation to meet the local demands and its impacts on

the competitiveness of firms in Nigeria. The study focused on Coca-Cola and Pepsi brands, which are the dominant players in soft drink market in Nigeria. The study employed the survey method, while questionnaire was used to collect data from 245 participants in Ebonyi South senatorial area. The study data was analyzed through regression analysis. The study findings indicate that differentiating a product in terms of adaptation enhanced the competitive position of a soft drinks producer. The study further established that product quality, investment in differentiating a product, brand image, and loyalty is capable of influencing the perceptions of consumers. The study concluded that meeting consumers' needs by differentiating it makes firms achieve their objectives. The study recommended that soft drinks manufacturers should invest in strategies that differentiate a product.

Calantone, Kim and Schmidt (2002) examined three factors that can have an influence on the international adaptation strategy of a firm. Their study is based on the three countries USA, Japan and Korea and their findings are centered on the issues concerning these three cultures in business dealing. The three factors they mention are the impact of market resemblance, the influence of organizational structure and the impact of industry adaptation. It is stated that market similarity between the home market and the foreign market are an important factor in the choice of international market variables.

In another related study by Meyer and Bernier (2010), carried out a study using a multinational firm called Agatha. The study objective focused on factors that influence the choice and consequences of the marketing mix strategy. The study found that one of the main motives behind an adaptation strategy is when a firm wants to be the leader of a market or reach out new segments of the market which is necessary. Other findings emphasized that cultural differences on international markets is responsible for product, price, and promotion adaptation. They also found that it has been a challenge for Agatha to find a balance between the degree of standardization and adaptation of the different elements of the marketing mix. Furthermore, the study established the benefits that accompanied adapting marketing mix to the local situation as it is the key to achieving increased market shares.

Previous study by Gbolagade, Adesola and Oyewale (2013) examined the role of marketing mix approach on business performance. The study objectively examined how marketing strategy influenced the performance of a business performance. Survey design was aided through the use of questionnaire to gather data from 103 respondents. The study data was analyzed through Correlation coefficient and multiple regression analysis of the statistical package for social sciences (SPSS) version 20. The study results established that marketing variables; product, promotion, place, price, packaging, and after-sales service, had a substantial impact on the profitability, market

share, return on investment, and growth of the business. (F =6, 97) = 14.040; R2 = 0.465; P< .05). The study concluded that consumers' products should be encapsulated with quality and be accompanied with good packaging, after sales services, and other unique benefits for it to create customer loyalty.

Methodology

The study uses cross sectional survey design which examines specific groups of elements at a particular period (Saunders et al., 2012). The population of the study consisted of 192 consumers of Carbonated soft drinks in Lagos state, as provided by Nigerian Botling company, with a Sample size of 142 using Taro Yamane formula. The Sampling technique used was simple random technique.

The study employed primary source of data with the use of questionnaire as the research instrument to elicit response from the targeted audience. The questionnaire was on a 1 to 5-point Likert scales from strongly agree to strongly disagree. The instrument was structured into three sections, section A, is introduction, B, consist of demographics of respondents and C consist of the questions on promotional mix strategies and customer loyalty. Data obtained through the self-administered questionnaire was analysed using regression analysis with the application of Statistical package for social sciences software.

Analysis and Results

The study employed regression analysis which has been conceptualised as statistical tool used to investigate the relationship between two or more variables (Montgomery Peck, & Vining 2012).

Table 1: Nigeria Bottling company integrated marketing communication is not positively correlated with Customer loyalty. **(N= 142)**

Variable	**Unsaturated Coefficients**		**Standardized Coefficients**	**T**	***P***
	B	SE	Beta (β)		
Sales promotion	7.758	.917		8.456	.000
adaptation	.266	.062	.340	4.274	.000

Note. Constant= 7.758, F (1, 140)= 18.265***, p<001, R^2 = 0.115.

The regression table was to test if integrated marketing communication does not

positively influence customer loyalty. Table 1 results shows that sales promotion adaptation explained a variance of 11.5% in customer loyalty (R^2=.0.115; F (1, 140) = 18.265; p< 001). The result shows that integrated marketing communication positively influenced customers loyalty for Coca-Cola (β = 0.266; p< 001). The B coefficient of 0.266 obtained revealed that for 1 unit increase in integrated marketing communication, it is predicted that there would be a corresponding 0.266 unit increase in customer loyalty (if and only if other variables are held constant). The null hypothesis is rejected since it lacks statistical backing.

Based on the statistical analysis and the significance level set at 0.05, the null hypothesis (H0) is rejected. The result provides robust evidenced that integrated marketing communication is positively correlated with customer loyalty for Coca cola consumption in Lagos State within the scope of this study.

Study implication and Recommendations

The study findings provide answers to the research questions that integrated marketing communication is veritable tools that enhance Coca-Cola market success in Lagos state through advertisements and sales promotion adaptation as part of integrated marketing communication is used to increase customers loyalty. As the study findings shows that Nigeria bottling company use different local languages to promote Coca-Cola by capturing beliefs in terms of cultural dress codes, and how to stay refresh as family, and how best consumers can spend holidays, The study findings shows that Nigeria bottling company integrated marketing communication aimed at meeting the needs of busy people, students, youths, and family-oriented individuals. In addition, findings shows that the company adverts are used to adapt to local contents to win people's perception, through the use of short local films or movies, and to establish emotional resonance between the brand and customers in Lagos state. In the same manner, it was discovered that the company product adverts promote the culture of love and tolerance among people of different backgrounds, through the use of TV. The study findings affirmed that integrated marketing communication through product adaptation significantly predict customers' loyalty for Coca cola consumption in Lagos State within the scope of this study. This is in agreement with the position of Onifade, Adenusi, and Fasaanu (2019) that established that Nigeria Bottling Company Plc sales promotion adaptation through advertisements has always been done in local language to praise mothers as a symbol of kindness and generosity The study implication indicates that Nigeria bottling company have shown capability to increase market share, and placed itself as the leader of the carbonated soft drinks among consumers in Lagos through effective use of integrated marketing communication through sales promotion advertisement and product adaptation . The aforementioned has made Coca-Cola product to remain

competitive in the Nigerian market with unalloyed customers' loyalty.

Recommendations

The study recommended that soft drinks manufacturers should adequately understand the cultural diversity of a society and incorporate it in their strategies integrated marketing communication as means to gain customer loyalty. Desk research can be conducted on this topic to get more insights on the influence of integrated marketing communication on customer loyalty.

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