

Marketing Capabilities and Firm Performance of Food and Beverages Firms, Southwest, Nigeria

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Abstract

This study investigated marketing capabilities and firm performance of Food and Beverages Firms, Southwest, Nigeria. Hence this study examined the effect of marketing capabilities and firm performance of food and beverage firms in Southwest, Nigeria of Food and Beverages Firms, Southwest, Nigeria. This study adopted a cross-sectional study, the population of three leading selected FMCG companies i.e., Nestle Nigeria Plc, Unilever Nigeria Plc and Coca-Cola are 642 staff. A sample size of 413 staff was computed using Taro Yamane formula. The study adopted random sampling technique to select employee in the selected FMCG's firms in Lagos and Ogun States, Nigeria. A validated questionnaire was used to collect data. Findings revealed that marketing capabilities have significant effects on firm performance of food and beverage firms in Southwest, Nigeria ($Adj. R^2 = 0.000$, $F(3,357) = 11.486$, $p = 0.897$). The study recommended that marketing capabilities have a significant but weak effect on firm performance of food and beverages firms in southwest, Nigeria. Management of food and beverages firms should pay special attention to marketing capabilities antecedents to increase firm performance in food and beverages firms in southwest, Nigeria.

Keywords: *Firm, Performance, Sales growth, Profitability, Market share, Sustainability, Marketing Capabilities, Product development capabilities, Price competitiveness, Promotion*

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Background to the Study

The producing industry contributes extensively to the financial increase and improvement of any nation. Industrialization catalyzes structural exchange and financial diversification, allowing a state to fully use its factor endowment and come to be much less reliant on overseas supply of finished goods or raw substances for economic boom, development, and sustainability. Furthermore, no nation can live to tell the tale in an un-conducive business environment due to the fact they are the most important enterprise of labour consequently reducing the unemployment charge of a given nation. Meanwhile, the meals and Beverage industries are one of the major manufacturing industries that play pivotal roles inside the improvement of Nigeria in terms of food protection value chain, process safety as well as a boom in gross domestic products (Muogboh, & Ojadi, (2018). In Nigeria, the manufacturing enterprise contributes 12.67% of the U.S.A.'s GDP, which has remained strong between 2020 and 20214. Truly, challenges which include the incapability to attain good enough raw substances from the agricultural quarter, as well as inaccuracy in forecasting, bad responsiveness to purchaser wishes, bad implementation of an effective advertising strategy, and a lack of suitable statistics technologically keep to limit the overall performance of operations inside the sector (Kairu, 2018).Nigeria's commercial price-delivered decreased appreciably between 1982 and 1986, owing in component to terrible aid allocation brought on by means of skewed pricing and import ban. The world financial institution carried out a structural adjustment program (SAP) within the economies from early 1986 to 1988, which resulted in a better boom within the production enterprise's GDP, which expanded by way of 8% in 1988.The non-interference of the foreign exchange market turned into additionally established to boost production sectors' competitiveness via raising enter prices. In prior years (1990-2010), the producing quarter's proportion of GDP became no longer mainly regular. It became over 5% in 1990, but it has dropped to 22% in 2010. Similarly, worldwide industrial ability utilization multiplied from 43% in 1990 to 92% in 2016. Groups would possibly spend a variety of money and time to conform with guidelines that in the end show to be useless and useless. Corporations, however, want to be flexible sufficient to reply to converting policies and policies. This isn't always best genuine on the national level however is likewise applicable to the kingdom and municipalities Hechavarria, Amanda, Candida and Linda (2019). Therefore, authorities' rules that are harsh and inconsistent pose a critical trouble to food and liquids boom and sustainable development. These unstable and inconsistent revenue guidelines supported by unstable political situations have led to confusion and uncertainty in business decisions and the planning of companies in Nigeria (Obialor, 2020). Based totally on the above heritage, the observe seeks to investigate the impact of presidency rules on the relationship among advertising capabilities and firm performance of decided on food and beverages firms in Southwest Nigeria.

Statement of the Problem

The Nigerian meals industry is essentially serviced by smallholder farmers; raw material production is notably high. Regrettably, a big share of what is produced by using these farmers is wasted due to horrific transportation systems. Contributing to this venture is the reality that processing facilities are frequently placed far faraway from sources of uncooked substances. This increases the price of food manufacturing past what consumers are in a position or

willing to pay (Udechukwu, 2020). Financial overall performance is vital to the going concern of a firm. In Nigeria, high tax quotes and more than one taxations have a big impact at the financial performance of the company. This results in management-shareholder battle. Shareholders want long-time period wealth maximization while the management pursues other hobbies. Those better tax liabilities and negative tax making plans had decreased manufacturing companies' profitability, go back on capital hired, return on fairness, and monetary sports. It became additionally talked about that poor tax planning strategies had precipitated meals and drinks manufacturing businesses' tax costs which had decreased asset tangibility and go back on equity of most food and drinks manufacturing corporations in Nigeria (Anthony, Mazlina, & Awanis, (2019).

Research Objective

The objective of this study is to investigate the effect of marketing capabilities and firm performance in Food and Beverages Firms, in Southwest Nigeria.

Research Question

What is the moderating effect of marketing capabilities on the performance of food and beverage firms in Southwest, Nigeria?

Research Hypothesis

H₀: Marketing capabilities has no significant effect on performance of food and beverage firms in Southwest, Nigeria.

Conceptual review

Marketing Capabilities

Marketing Capabilities is defined as the potential of an enterprise to recognize and satisfy clients' needs at the right time, right place, and proper value. Marketing functionality is crucial for sustainable enterprise overall performance. Many micro-businesses do no longer have any advertising approach and or have restrained advertising activities (Inan, & Aysegul, 2018). Marketing functionality has a vital position in businesses' choice-making especially marketplace-associated topics (Ripollés, & Andreu (2019). Many definitions exist for marketing functionality. For instance, Ripolles and Blesa (2019). define advertising capability as "a firm's abilities and capabilities relating to market statistics gathering, sharing, and dissemination in the course of the enterprise; launching a hit new merchandise, and patron relationship and supplier relationship improvement." however, Möller and Mai (2017). defines advertising capabilities as "the sports and the techniques, regarding marketplace research, method, planning, and evaluation, aimed at attaining the delight of customers' possibilities." advertising capability could also be described because the "complex mixture of the human sources or assets, market assets, and organizational property of a firm" (Banterle, Laura & Stefanella 2019). In this observe, we define marketing capability as an organization's potential to apprehend converting customer desires and to satisfy clients' expectations the use of tangible and intangible belongings. Even though businesses had often focused on principles associated with production and selling, the significance of advertising is increasingly more customary in the literature (Kotler, and Kevin 2017). Kotler and Kevin (2017) "Advertising

and marketing has emerged as of topical importance specifically since it lets in corporations to recognize customers' needs, the delight of whom is pivotal for their monetary achievement within the marketplace.

Product Development Capabilities

Product improvement is the vital marketing capability for correctly and sustainably bringing new or tailored merchandise to the market. For the duration of the method, companies face demanding situations in a way to adapt their merchandise to global unknown markets while simultaneously enhancing their business performance¹⁶. In rising markets, economic services innovation (whether or not in merchandise or business models) is important to an issuer's sustainability and competitiveness (David-West, Nkemdilim & Immanuel, 2020).

Price Competitiveness

Fee is the last fee in the transfer of a presented good or provider. That is defined in different phrases because the worth or importance associated with a great or carrier and thus we will say pricing strategies are a technique where one of a kind agencies set up fees for the services and products that they offer whilst penetrating the marketplace and whilst already penetrating in one³⁵. Pricing can be considered to be an important element that impacts the fulfillment of a company. The fulfillment of a business enterprise depends amongst other matters at the cautious attention of the elements of the advertising and marketing mix; specifically, product, price, location, and advertising. Much emphasis is but positioned at the promoting component with the aid of many companies, and within the procedure, fee is not noted

Technological Capabilities

The technological capability has been defined as the company's capability to layout and increase a brand new system, or product and improve knowledge and talents approximately the physical surroundings in a unique way, and rework the know-how into instructions and designs for the efficient creation of the preferred performance (Wang, Hing, Quan, & Youzhi, 2019). Technological capability includes now not only technical mastery capability but additionally the capability to amplify and install the company's core capabilities, effectively combine the specific streams of technologies, and mobilize technological sources at some point of the firms (Zawislak, André Cherubini, Jorge, Denise, & Fernanda, 2021). Moreover, technological capability accommodates the body of practical and theoretical understanding, strategies, experience, strategies, and physical gadget and devices (Ahmad, Nura, Siti, Othman, & Halim, 2019). Technological functionality represents a firm's advanced and heterogeneous technical sources which are meticulously associated with the layout technologies, product technologies, statistics and system technology, sourcing, and integration of outside. Those components of technological abilities are accountable for enormous tremendous variant in a firm's performance (Bergek, Fredrik, Christian & Jim (2018).

Promotion

Advertising and marketing in keeping with to defined marketing as a social and managerial technique via which individuals and agencies attain what they want and need via creating and

exchanging products and price with others. American advertising and marketing association (AMA) (1935) described marketing as the performance of enterprise sports that direct the go with the flow of products and offerings from the manufacturer to the customer or consumer. Promotion is the use of a verbal exchange blend or elements to inform and convince individuals, companies, or agencies to purchase an employer's product or service (Levy, & Weitz, 2013).

Profitability

The word income has two phrases, specifically, income and capacity. For-profit manner producing income and the word and capacity replicate the business enterprise's capability to make an income. Earnings is defined because the potential of a specific investment to earn a go back on its use. Earnings is a related concept whilst income is a whole definition (Carbaugh, 2006). Profitability in accounting contains a long-time period purpose no longer simplest for product success but additionally for market improvement. The agency determines its profit via comparing its sales with its related charges. Earnings is often decided whilst the ones expenses are in comparison to profits, which contributes to producing that profits. Companies need to make an income to continue to exist and develop lengthy enough to remain applicable inside the market place (Lipsey, 2019). In spite of being closely associated and depending on every other, earnings and earnings are extraordinary principles. In different words, notwithstanding their familiar nature, every of them has a distinct function inside the business. Income is nothing compared to the performance of a commercial enterprise business enterprise. Higher income does not constantly indicate organizational performance and decrease earnings are not usually a signal of organizational contamination. Consequently, it is able to be said that profit is not a key variable primarily based on which the performance and financial performance of an organization can be compared.

Sales Growth

As corporations develop greater confident approximately increase opportunities, the strain is mounting for retail agencies to satisfy ever-increasing sales desires. For these motives, enhancing the overall performance of income in the economy requires sturdy and driven facts for primary advertising approaches, inclusive of strategic making plans, locational location, resource planning, and reimbursement plans. Performance is defined as the extent of actual paintings carried out by means of someone or the quantity to which actual work is represented by using a person (Pierre, Devinney, G S. Yip, & Gerry 2019). In a technology of intense competition and brutal negotiations with consumers, strategic advertising and marketing strategies do not work. The key to achievement in advertising is creating price that the patron does now not have in mind while making his or her selection. Income performance is notion to include both effect and length of conduct. Sales outcomes have been seen with the aid of salespeople who focus on performance as evidence of their moral overall performance and as an end result, have determined a wonderful relationship between the component involved within the work of commitment and income performance. In other phrases, folks that are willing to promote need to growth their efforts in the workplace and for this reason have an instantaneous impact on the overall performance of the work (Nimalathasan, 2019). Richard, Timothy, Devinney, George, Yip and Gerry (2018) a person". Motion measures assist to

recognize, manipulate and improve what our companies are doing. Effective overall performance measures allow us to understand how well we are doing whilst we meet our dreams whilst our customers are happy when our procedures are statistically controlled, and when and wherein enhancements are wished.

Market Share

Marketplace percentage is the %age of the enterprise or the full amount of market sales that a corporation gets over a while. The marketplace share is calculated through taking the organisation's income over some time and keeping apart them from the overall sales of the enterprise at the same time. It can additionally be defined as the % of overall marketplace capitalization taken by means of a product, product, or agency. Market proportion is stated to be a key indicator of market competition i.e., how nicely an enterprise performs compared to its competitors. "This metric, coupled with changes in sales, allows managers to evaluate each the number one and decided on call for in their marketplace. (overall marketplace growth) is less high-priced and greater profitable than gaining shares from competition. Conversely, dropping market share may imply most important long-term issues that require strategic adjustment market percentage for each product is considered an early indicator of future possibilities or problems (Mwangi, 2017).

Sustainability

The concept of Sustainability may be very large, so the following sections are devoted to clarifying the ideas, models, and features of the sustainability issue of this research paintings. On the grounds that sustainability cannot be managed one after the other for commercial enterprise goals, the definition of other types emerges indicating the important thing steps for the implementation of sustainability in corporate governance. It isn't always intended that the donations are not best to pick out key steps to observe the sustainability implementation system but additionally to include what tools may be evolved at each stage of the manner, which justifies the evaluations supplied in the Sustainability equipment section Caves, and Porter, 2018). The famous definition of sustainability, according to Colbert, and Kurucz, (2017), maintains the commercial enterprise going, and some other usually used term in this context is enterprise "to show evidence of the future". Cláudia and Joaquim, (2017) communicate approximately accomplishing achievement now without compromising future needs. Dynamic Capability Theory (DCT). Dynamic Capability (DC) concept regarded as an opportunity method to solve a number of the weaknesses of RBV theory¹¹⁰. DC concept offers course-dependent tactics that allow firms to conform to unexpectedly converting environments through constructing, integrating, and reconfiguring their useful resource and talents portfolio¹¹¹. However, until the Eighties there were little hobby inside the difficulty of strategic control. Specially inside the Eighties, Porter's industry-based theory attracted the best attention (Porter, 1979). All through that length, the RBV principle changed into the principal subject of debate. It viewed a firm as a portfolio of actual and intangible assets and human resources and capabilities: the ability to combine resources innovatively and efficiently constituted "the firm's competencies" (Porter, 1979). In this view, aggressive gain is: "while a company is enforcing a price-developing approach now not simultaneously being implemented by using any cutting-edge or potential competition" and sustainable competitive

gain is: “while a company is implementing a price-creating approach not concurrently being carried out by way of any current or capability competitors and while these other corporations are unable to replicate the benefits of this method”. These ideas emerged from VRIN resources. DC principle turned into derived from RBV principle and compensated for that idea's shortcomings whilst it came to explaining sustainable aggressive benefit and superior performance in a dynamic surroundings. Barney & Ouchi, (1986). defined DCs as “the firm's potential to combine, build and reconfigure internal and outside talents to address rapidly changing environments”. DC is for that reason “the organizational and strategic workouts through which companies obtain new useful resource configurations as markets emerge, collide, split, evolve and die”. Barney, (1991). made a prime contribution to DC principle by writing approximately the micro-foundations for each of the three following dimensions: sensing (identification and evaluation of a possibility), seizing mobilization of assets to cope with a possibility and to seize price), and remodeling (endured renewal “reconfiguring the business company's intangible and tangible property”).

Empirical Review

A look at changed into achieved on the impact of government guidelines and marketplace dynamics on new product overall performance in China. Although many students had evolved models to check the antecedents of latest product overall performance, some of them noticed the effect of presidency innovation and marketplace dynamics. The effects of this paper confirmed that government innovation regulations exerted a direct and marked impact at the process of recent product development and product aggressive advantage. Marketplace dynamics did not have a significant impact on the new product improvement system, however it significantly harms the aggressive benefit of new merchandise. The paper also showed that authorities innovation regulations and market dynamics would possibly have an effect on one-of-a-kind types of business enterprise product competitive blessings. Government innovation policies have been possibly to influence numerous types of enterprises (Huang and Chongqing, 2018). The research turned into performed on the effect of presidency rules and the extent of Its Implementation at the Foundry enterprise in Nigeria. This became achieved to expand the ideal and ok policy framework for enhancing the performance of the foundry enterprise inside the US. The observe vicinity for this studies included geo-political zones within the U.S.A. Four units of questionnaires have been evolved for this take a look at and those were aimed toward reaching the goals of the research. Statistics from the survey have been analyzed the use of a statistical bundle for social scientists (SPSS). Both descriptive and inferential statistical analyses have been used. The examine concluded that though the majority of the stakeholders were privy to the authorities' guidelines they had been not involved inside the coverage formulation. The volume of implementation of the guidelines and strategies guiding the foundry industry is low. Most of the elements inhibiting the boom and development of the foundry industry consist of insufficient availability of uncooked materials, erratic energy deliver, inconsistency in government rules at the importation of metallic forged merchandise, obsolete equipment, inadequate infrastructures, coverage discontinuity, and insufficient fund for R&D (Olanipekun, Ilori, & Ibitoye, 2020).

Conceptual Model

The conceptual framework that was used in this research depicts the various variables under study.

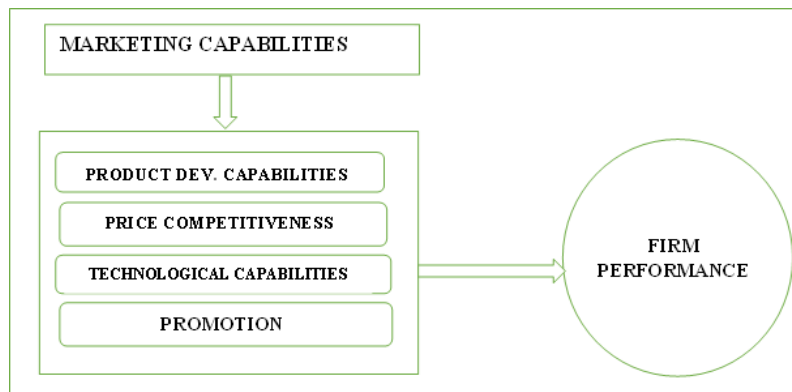


Figure 1: Research Conceptual Model, 2023.

Methodology

The study adopted a cross-sectional study. The population of the study include 642 management staffs of Nestle Nigeria Plc, Coca-Cola Plc and Unilever Nigeria Plc in Lagos state. The sample size derived for this study using Taro Yamane formula is four hundred and thirteen (413) elements random sampling technique so as to increase the sampling precision for the study. To also have a comprehensive and across the board information 20% of the instrument was administered to the top management, to middle level management and while 45% are lower level staff. This is also to ensure that the response rate obtainable is not below the scientifically determined value and hence invalidating the finding thereof. A well-structured questionnaire was adapted and validated to collect primary data. Cronbach's alpha reliability coefficients for the constructs ranged from 0.713 to 0.873. Data collected were analysed using multiple regression inferential statistics. Statistical Package for Social Sciences (SPSS Inc. 25) was used as analytical tool.

Model Specification

The following model has been adopted.

$$Y = f(X)$$

$$Y = y_1, y_2, y_3, y_4$$

$$X = x_1, x_2, x_3, x_4$$

Where;

Y = Firm Performance (FP)

y1= Sales growth (SG)

y2 = Profitability (P)

y3= Market share (MS)

y4= Sustainability (S)

X = Marketing Capabilities (MC)

x_1 = Product development capabilities (PDC)
 x_2 = Price competitiveness (PC)
 x_3 = Technological Capabilities (TC)
 x_4 = Promotion (P)
 $Y = f(XZ)$
 Z = Government Policies (GP)
 z_1 = Trade Regulation (TR)
 z_2 = Taxation (T)

Equations 1- 5 are the working equations evaluated in this study

$$y_1 = f(x_1, x_2, x_3, x_4)$$

$$y_1 = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + e_i \quad \dots\dots\dots (i)$$

$$y_2 = f(x_1, x_2, x_3, x_4)$$

$$y_2 = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + e_i \quad \dots\dots\dots (ii)$$

$$y_3 = f(x_1, x_2, x_3, x_4,)$$

$$y_3 = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + e_i \quad \dots\dots\dots (iii)$$

$$y_4 = f(x_1, x_2, x_3, x_4)$$

$$y_4 = \beta_0 + \beta_1x_1 + \beta_2x_2 + \beta_3x_3 + \beta_4x_4 + e_i \quad \dots\dots\dots (iv)$$

$$Y = f(X)$$

$$Y = \beta_0 + \beta_1X + e_i \quad \dots\dots\dots (v)$$

$$Y = f(X_i, X_iZ_i, X_iZ_i)$$

$$Y = f(X, Xz_1, Xz_2)$$

$$Y = \beta_0 + \beta_iX + \beta_{Xz_1} + \beta_{iX}z_2 + e_i \quad \dots\dots\dots (eq.vi)$$

β_0 = constant of the equation or constant term
 β_1 - β_4 = Parameters to be estimated
 e_i = error or stochastic term

Decision Rule: The p-value will be set at 0.05. If the $p < 0.05$, the null hypothesis will be rejected, otherwise it will be accepted. Furthermore, if the $p < 0.05$, the effect of the IV on the DV was considered significant, otherwise not.

Results

Demographic Characteristics

A total of four hundred and thirteen (413) copies of the questionnaire were administered, and three hundred and ninety-one (391) copies were returned. After sorting the questionnaire only three hundred and sixty-one (361) copies were certified as duly filled and considered usable. The useable questionnaire represented an 87.40% response rate. The high response rate was recorded as the researcher administered the instruments with the help of research assistants who put concerted efforts to ensure due diligence with the questionnaire administration.

Demographic Data Presentation

Table 1: Demographic Characteristics of Respondents

Variables	Category	Frequency	Percentage
Gender	Male	215	59.6%
	Female	146	40.4%
Age	20-29 years	89	24.7%
	30-39 years	224	62.0%
	40-49 years	48	13.3%
Level of Education	Certificate	151	41.8%
	Diploma	154	42.7%
	Bachelor	56	15.5%

Source: Field Survey Results (2023)

This section consists of background and respondents' information that describes basic characteristics such as gender of the respondents, age, and level of education, the results are presented in Table 2. Accordingly, the profile of gender indicated that 215 respondents representing 59.6% were male, while, 146 respondents representing 40.4% were female, indicating that most of the respondents were male. Also, 89 respondents representing 24.7% were between 20-29 years, 224 respondents representing 62.0% were between 30-39 years, and 48 respondents representing 13.3% were between 40-49 years, indicating that most of the respondents were between 30-39 years. Furthermore, 151 respondents representing 41.8% had a certificate, 154 respondents representing 42.7% had a diploma, and 56 respondents representing 15.5% had Bachelor.

Descriptive Statistics of Independent and dependent Variables

Table 2: Descriptive Analysis of Responses on Product Development Capability

Product Development Capability	VHE	HE	LE	VLE	Mean
This company offers a broad product strategies line based on the implementation of government policies	297 (82.3%)	43 (11.9%)	18 (5.0%)	3 (0.8%)	3.76
This company has products strategies with a road marketing appeal based on the implementation of government policies	61 (16.9%)	239 (66.2%)	61 (16.9%)	-	3.00
This company develops and tests its products to confirm their adaptability and suitability to target customers based on the implementation of government policies	161 (44.6%)	95 (26.3%)	105 (29.1%)	-	3.16
This company uses a packaging strategy that influences consumer-perceived product quality based on the implementation of government policies	147 (40.7%)	166 (46.0%)	48 (13.3%)	-	3.27
Product development capability is successfully and sustainably bringing new or adapted products to the marketing department of the company with new government policies implemented	186 (51.5%)	141 (39.1%)	34 (9.4%)	-	3.42
Grand Mean					3.32

KEY: = (Very High Extent=4, High Extent=3, Low Extent =2, Very Low Extent =1)

***Decision Rule if mean is ≤ 1.99 = VLE; 2.0 to 2.99 = LE; 3.0 to 4.0 = HE; 4.0 and above = HE

Source: Field Survey Results (2023)

According to the results in table 2 82.3% of the respondents rated to a very high extent that the company offers a broad product strategies line based on the implementation of government policies, 11.9% high extent, 5.0% low extent, and 0.8% very low extent. On average, the respondents indicated that the company offers a broad product strategies line based on the implementation of government policies has a mean of 3.76. Results also indicated that 16.9% of the respondents rated to a very high extent that the company has product strategies with a road marketing appeal based on the implementation of government policies, 66.2% high extent, and 16.9% with low extent. On average, the respondents indicated that the company has product strategies with a road marketing appeal based on the implementation of government policies has a mean of 3.00.

Results also indicated that 44.6% of the respondents rated to a very high extent that the company develops and tests its products to confirm their adaptability and suitability to target customers based on the implementation of government policies, 26.3% high extent, and 29.1% low extent. On average, the respondents indicated that the company develops and tests its products to confirm their adaptability and suitability to target customers based on the implementation of government policies has a mean of 3.16. Results also indicated that 40.7% of the respondents rated to a very high extent that the company uses a packaging strategy that influences consumer-perceived product quality based on the implementation of government policies, 46.0% high extent, and 13.3% low extent. On average, the respondents indicated that the company uses a packaging strategy that influences consumer-perceived product quality based on the implementation of government policies has a mean of 3.27.

Results also indicated that 51.5% of the respondents rated to a very high extent that product development capability is successfully and sustainably bringing new or adapted products to the marketing department of the company with new government policies implemented, 39.1% high extent, and 9.4% low extent. On average, the respondents indicated that product development capability is successfully and sustainably bringing new or adapted products to the marketing department of the company with new government policies implemented has a mean of 3.42. The grand mean for product development capability is 3.32 indicating that on average, respondents agreed with most of the statements on the high scale as it relates to how product development capability is an appropriate measure of marketing capabilities. Additionally, the grand mean of 3.32 suggested that the level of product development capability for food and beverage firms in Southwest, Nigeria is moderately high. Price competitiveness was presented as a measure of the marketing capabilities of Food and beverage firms in Southwest, Nigeria using descriptive statistics and computed for each statement to reveal the frequencies, percentages, and mean on a four-point Likert-type scale (Very High Extent (VHE)=4, High Extent (HE)=3, Low Extent (LE)=2, Very Low Extent (VLE)=1).

Table 3: Descriptive Analysis of Responses on Profitability

Profitability	VHE	HE	LE	VLE	MEAN
The profit margin of this firm has been increasing in the past years	166 (46.0%)	155 (42.9%)	40 (11.1%)	-	3.35
The return on assets of this company has been increasing in the past years	133 (36.8%)	167 (46.3%)	61 (16.9%)	-	3.20
The return on investment of this firm has been increasing in the past years	152 (42.1%)	152 (44.9%)	47 (13.0%)	-	3.29
The return on equity of this firm has been increasing in the past years	157 (43.5%)	168 (46.5%)	36 (10.0%)	-	3.34
The sales of this company's products have been increasing in the past years	152 (42.1%)	159 (44.0%)	50 (13.9%)	-	3.28
Grand Mean					3.30

KEY: = (Very High Extent=4, High Extent=3, Low Extent =2, Very Low Extent =1)

***Decision Rule if mean is ≤ 1.99 = VLE; 2.0 to 2.99 = LE; 3.0 to 4.0 = HE; 4.0 and above = HE

Source: Field Survey Results (2023)

According to the results in table 3 46.0% of the respondents rated to a very high extent that the profit margin of the firm has been increasing in the past years, 42.9% high extent, and 11.1% low extent. On average, the respondents indicated that the profit margin of the firm has been increasing in the past years has a mean of 3.35. Results also indicated that 36.8% of the respondents rated to a very high extent that the return on assets of the company has been increasing in the past years, 46.3% high extent, and 16.9% low extent. On average, the respondents indicated that the return on assets of the company has been increasing in the past years has a mean of 3.20.

Results also indicated that 42.1% of the respondents rated to a very high extent that the return on investment of the firm has been increasing in the past years, 44.9% high extent, and 13.0% low extent. On average, the respondents indicated that the return on investment of the firm has been increasing in the past years has a mean of 3.29. Results also indicated that 43.5% of the respondents rated to a very high extent that the return on equity of the firm has been increasing in the past years, 46.5% high extent, and 10.0% low extent. On average, the respondents indicated that the return on equity of the firm has been increasing in the past years has a mean of 3.34.

Results also indicated that 42.1% of the respondents rated to a very high extent that the sales of the company's products have been increasing in the past years, 44.0% high extent, and 13.9%

low extent. On average, the respondents indicated that the sales of the company's products have been increasing in the past years has a mean of 3.28. The grand mean for profitability is 3.30 indicating that on average, respondents agreed with most of the statements being on the high scale as it relates to how profitability is an appropriate measure of firm performance. Additionally, the grand mean of 3.30 suggested that the profitability level of food and beverage firms in Southwest, Nigeria is moderately high.

Relating results show the measures of marketing capabilities which includes product development capability, price competitiveness, technology capability, and promotion activity have varying patterns of increase with the profitability of food and beverage firms in Southwest, Nigeria. Consequent these findings mentioned above, it suggests that marketing capabilities may influence the profitability of food and beverage firms in Southwest, Nigeria. This response to research question two has enabled the researcher to achieve the second objective of this study.

In Table 4, market share was presented as a measure of firm performance of food and beverage firms in Southwest, Nigeria using descriptive statistics and computed for each statement to reveal the frequencies, percentages, and mean on a four-point Likert-type scale (Very High Extent (VHE)=4, High Extent (HE)=3, Low Extent (LE)=2, Very Low Extent (VLE)=1.

Test of Hypotheses and Interpretation of Results

Marketing capabilities (Product development capability, Price competitiveness, Technological capability, & Promotion) has no significant impact on firm performance of food and beverage firm in Southwest, Nigeria. To test the hypothesis, simple regression analysis was used. In the analysis, the value of firm performance was regressed on each value of marketing capabilities. The data for marketing capability was generated by summing responses of all items for product development capability, price competitiveness, technological capability, and promotion while that of firm performance was generated by adding responses of all items used to measure the variable. The regression test results are presented in Table 4.

Table 4: Summary of multiple regression analysis for the effect of marketing capabilities on firm performance of Food and beverage firms in Southwest, Nigeria

Model	Beta	T	Sig.	R	R ²	Adj. R ²	Anova Sig.	F(df)
(Constant)	1.751	10.557	0.000	0.445 ^a	0.198	0.196	0.000 ^b	88.552 (1,359)
Marketing capability	0.470	9.410	0.000					

Dependent Variable: Firm performance

Predictors: (Constant), product development capability, price competitiveness, technological capability, and promotion

Source: Researcher's Field Survey Results (2023)

Table 4 presents the results of a simple regression analysis for the effect of marketing capability on firm performance of food and beverage firms in Southwest, Nigeria. Table 4.16 presents a model summary that establishes how the model equation fits into the data. The R^2 was used to establish the predictive power of the study's model. From the results, marketing capability has a positive but very weak relationship with firm performance of food and beverage firms in Southwest, Nigeria ($R = 0.445^a$, $p=0.000$). The coefficient of determination (R^2) of 0.198 shows that marketing capability explained 19.8% of the change in performance of the food and beverage firms under study while the remaining 80.2% of changes in firm performance is explained by another exogenous variable different from marketing capability considered in this study. This result suggests that marketing capability influence 6.1% of the firm performance of food and beverage firm in Southwest, Nigeria in Southwest. Table 4 presents the results of the ANOVA (overall model significance) of the regression test which revealed that the combined marketing capability has a significant effect on firm performance of Food and beverage firms in Southwest, Nigeria in Southwest. This can be explained by the F-value (88.552) and low p-value (0.000) which is statistically significant at a 95% confidence interval. Hence, the result posited that marketing capability adopted by the food and beverage firms in Southwest, Nigeria influenced firm performance.

Furthermore, the results of regression coefficients revealed that a positive effect was reported only for marketing capability. Specifically, the results reveal that at a 95% confidence level, the marketing capability of the food and beverage firms was statistically significant ($\beta= 0.470$, $p= 0.000$) as the p-values were less than 0.05 and the t-values greater than 1.96. Based on the coefficient of regression table 4.12, the regression model is restated as follows:

$$FP = 1.751 + 0.470MC \dots\dots\dots \text{Eq. (v)}$$

Where: FP = Firm Performance
 MC = Marketing Capability

According to the regression equation above, taking all factors constantly at zero, the firm performance of Food and beverage firms in Southwest, Nigeria is 1.751. The result also indicates that taking all other independent variables at zero, a unit change in marketing capability will lead to a 0.470 increase in firm performance of food and beverage firms in Southwest, Nigeria given that all other factors are held constant. Hence, based on this result, this study can conclude that marketing capability significantly influences the firm performance of food and beverage firms in Southwest, Nigeria. On the strength of this result ($R^2= 0.198$, $F(1,359)= 88.552$, $p= 0.000$), this study rejects the null hypothesis five (H_05) which states that marketing capability has no significant effects on firm performance of food and beverage firms in Southwest, Nigeria.

Discussion of Findings

The results of multiple regression analysis are to investigate the moderating effect of government policies on the relationship between marketing capabilities and firm performance in Food and Beverages Firms, in Southwest Nigeria revealed that marketing capabilities have a

positive and significant effect on firm performance. However, government policy has no moderating effect on the relationship between marketing capabilities and firm performance in Food and Beverages Firms, in Southwest Nigeria. Conceptually, marketing capabilities are a significant factor in differentiating products from those of competitors and connecting firms with customers, therefore, also essential in forming profitable relationships between firms and consumers thereby reinforcing firm performance. Studies have proven that marketing capability helps firms develop effective collaboration with strategic partners to enhance other operational capabilities and improve performance in today's dynamic environment. Marketing capabilities dimensions like price competitiveness and technological capabilities have a significant impact on firm performance (sales growth) except product development capability and Promotion which shows an insignificant relative effect on sales growth of food and beverages in southwest, Nigeria.

In addition, the findings agree with related studies. The study of a researcher produced results that showed a positive relationship between Strategic Response Capability and Firm Competitiveness. These findings were also in a similar study, some researchers Onamusi, Abiodun, and Babatunde (2021) analyze Strategic Response Capability and Firm Competitiveness: How Omoluabi Leadership Makes a Difference. The study adopted a cross-sectional survey design and a sample of 343 employees of eighteen selected paint manufacturers in Lagos State, Nigeria. A hierarchical regression analysis to test three-way interaction hypotheses was conducted. The results showed that strategic response capability had a positive and significant effect on firm competitiveness. The study through its findings established that strategic response capability enhances firm competitiveness through the deployment of Omoluabi leadership. While the finding of the researchers differs because one focused on the firm competitiveness effect of response capabilities, while the other examined the relationship between Strategic Response similar to previous research.

Conclusion and Recommendations

Based on the empirical findings, this study concluded that there was a statistically significant effect of marketing capabilities(Product development capability, Price competitiveness, Technological capability, & Promotion) on firm performance (sales growth, profitability, market shares, and sustainability)of Food and beverage firm in Southwest, Nigeria Further analysis showed that Government policy has no significant moderating effect on the relationship between Marketing capabilities and performance of food and beverage firms in Southwest, Nigeria. Theoretically, the outcome of this study is in line with the dynamic capability theory and the resources-based theory which provided the theoretical underpinnings for this study. The theories were selected to guide this study because their perspectives relate to the variables under investigation. Based on the findings of this study, the following recommendations are made;

The study established that marketing capabilities significantly contribute to sales growth. However, the effect is weak suggesting that more effort is required by management with regards to product development capabilities and promotion given their insignificant and despite having a positive effect on sales growth of Food and beverage firms in Southwest, Nigeria.

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