

BRAND ASSOCIATION AND MARKETING EFFECTIVENESS OF FAST MOVING CONSUMER GOODS COMPANIES IN RIVERS STATE**WAITE Ilayira Hilary¹** **GLADSON-NWOKAH Juliet²** **OGONU Chituru Gibson³**^{1, 2, 3} Department of Marketing, Faculty of Management Sciences

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Abstract

This study investigated the relationship between brand association and marketing effectiveness of fast moving consumer goods (FMCG) companies in Rivers State. The objective of the study was to assess the relationship between brand association and measures of marketing effectiveness such, customer acquisition, customer retention and customer expansion. The population of the study comprised 21 FMCG companies in Rivers State and 63 respondents comprising marketing, sales and production managers provided primary data for the study through structured questionnaire designed in Likert 5- point scale. The reliability of the study instrument was determined using the Cronbach's Alpha reliability test, and 3 null hypotheses were tested using Pearson Product Moment Correlation with the aid of the Statistical Package for Social Sciences, version 25.0. Test of hypotheses revealed that brand association has very strong, positive and statistically significant relationship with customer acquisition, customer retention and customer expansion. The study concludes that brand association significantly relates to marketing effectiveness of FMCG companies in Rivers State, and recommends that managers of FMCG companies in Rivers State that intends to improve their marketing effectiveness should improve the functional and non-functional attributes of their product.

Keywords: Brand association, customer acquisition, customer expansion, customer retention, marketing effectiveness

Introduction

Brands are assuming increasingly more vantage place in business, as products become more commoditized, and competition more intense. Branding has evolved into a powerful tool for improving competitive edge and sales growth; as the role of brand association in achieving brand equity in business markets become pervasive (Adeoye et al., 2021). Brand association builds brand equity by differentiation, creating a feeling or developing customer attitudes (Sharma, 2016).

Brand association include the features of a product, consumer benefits, and service and lifestyle. Effective brand association attract and convince consumers to venture out to use the brand repetitively, leading to increased sales for the company. Hence, the ability of brand association to enable brand recognition or recall is a critical element of branding strategy.

Brand association can be classified into five categories (Hitesh, 2019). The first is brand association based on attributes, which defines an attribute as a descriptive feature of a product and promotes distinguishing features about the product. The second category is benefits-based brand association, which discusses the link between brand associations and personal value or positive meaning that customers attach to a product. The third is brand association based on attitudes, which indicates that a brand's attitude is frequently dependent on its overall appraisal by consumers. The fourth is brand association via interest, which is a basic criterion for appealing to consumers' intellect. Finally, celebrity brand association is the most popular sort of brand connection utilized in advertising.

The success of a brand is reflected in the market performance of the brand (Ho & Merrilees, 2008). Hence, the desire of companies to improve their market performance is the paramount push behind all marketing decisions and programmes. Market performance is cardinal to corporate wellbeing

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and determines the continued existence of a business; and to determine core drivers of market performance, several studies have been conducted (Frantisek & Iveta, 2015; Wali, 2018; Ateke, & Amangala, 2020). These studies have shown that marketers can no longer focus only on providing value and amassing tangible assets; but must also build intangible assets in form of strong brands (Liu et al., 2010).

Several studies have assessed brand association and its contribution to different facets of marketing and market performance. Choudhary et al. (2023) examined impact of brand association on brand equity; Phong et al., (2019) explored the relationship between brand association and customer loyalty; while Kilei et al. (2016) investigated the role of brand association on brand performance.

However, these studies do not provide enough knowledge on how brand association relates to marketing effectiveness of quoted fast moving consumer goods companies in River State. In order to contribute to extant literature therefore, this study examined the link between brand association and marketing effectiveness of quoted fast moving consumer goods firms in River State.

Theoretical Foundation

This study was anchored on resource-based view (RBV) which proposed that there are two major sources of competitive advantage within internal environment of an organization that are important to the preparation of strategy. The efficient and effective application of these resources enable an organization achieve sustainable competitive advantage (Ringim et al., 2012). To RBV, an organization's unique resources are internal. It also states that non-unique or standardized resources can be obtained by competitor at a cost equal to the economic value they can generate.

RBV as a basis for the competitive advantage of a firm lies primarily in the application of a bundle of valuable tangible or intangible resources at the firm's disposal. The implication of this theory to the current study is that firms can through proficient brand association, gain competitive advantage over rivals. This assertion is particularly premised on notion that internal resources are more important than the industry structure (Wang et al., 2014) in the struggle to achieve marketing effectiveness.

Concept of Brand Association

Building strong brands has long been recognized as worthy marketing investment because of strong brands constitute essential business asset provides an effective way to arrest consumers' attention amidst the rush and clutter in the daily media (Ateke et al., 2015, as cited in Ateke & Nwulu, 2017). A brand is a symbol or image consumers associate with a business and its products or the benefits they receive from the company (Aaker, & Biel, 2013).

Brand association represents a foundation for purchase decision (Emari & Jafari, 2012). Brand association is essential to brand recall; and consumers buy and use brands they recall (Pouromid & Iranzadeh, 2012). Brand association raise awareness by highlighting the value and quality of a product. Thus, brands are among the most valuable basis for achieving sales growth for organizations in competitive markets.

Brand associations may be based on product experience, product attributes, brand positioning, price information, packaging, etc., and so, are more accessible and remain longer in consumer's memory (Dean, 2004). Brand association can be classified into five categories: attributes, benefits-based, attitudes, interest and celebrity (Aaker, 1991; Al-Abdallah & Abo-Rummanb, 2013). Knowledge of types of brand association enable better understanding of dimensions of brand

association. Consumers use attributes as the basis for evaluating products since attributes provide benefits the consumer seeks when purchasing a product and comparing between competing brands.

Attributes are also used in advertising by either stating that a product has a certain attribute or that its attributes provide certain benefits (Al-Abdallah & Abo-Rummanb, 2013). Consumers are believed to seek information, evaluate products and make purchases in part by their perceptions of the importance of various product attributes. Also, product differentiation is easier achieved through attributes that are meaningful, relevant and valuable. Brands successfully differentiate themselves from competitors by focusing on valuable attributes (Al-Abdallah & Abo-Rummanb, 2013). A valuable attribute is one that is considered an important benefit that consumers seek.

Concept of Marketing Effectiveness

Marketing effectiveness may be characterized as the function of improving the process where marketers go to market with the goal of optimizing their marketing resources spent to achieve better short- and long-term strategic objectives (Frantisek & Iveta, 2015). According to Solcansky and Iveta (2010), marketing effectiveness is the quality with which managers go on the market to optimize their spending in order to achieve a good result. It is the extent to which an organization acquires market share over competitors.

Marketing effectiveness has been associated with valuable organizational outcomes, including long-term growth, stability, enhanced customer satisfaction, competitive advantage and strong market orientation. The purpose of marketing effectiveness is to optimize marketing spend in support of, and in alignment with a firm's strategy. Marketing effectiveness calls for managers to have sufficient information for the purposes of planning and resource allocation to varying markets and products.

The original obligation of marketing is to identify the primacy of studying the market, distinguish opportunities, select markets to serve and offer superior customer value (Nwokah & Briggs, 2017). Organizations that are market oriented are close to their consumers, have a common set of values and demonstrate market knowledge (Nwokah, 2006). The effectiveness of marketing activities is gauged by the return on investment they yield. Appiah-Adu et al. (2001) argued that first; it is imperative to identify the importance of studying markets, recognizing opportunities, selecting appropriate segments to operate in, and endeavoring to offer superior value to meet the needs of customers in those segments.

Wali (2018) operationalized marketing effectiveness into two dimensions of customer satisfaction and customer retention; while Ateke and Amangala (2020) presented customer acquisition, customer retention and customer expansion as measures of marketing productivity. This study adopt customer acquisition, customer retention and customer expansion as measures of marketing effectiveness.

Customer acquisition

Acquiring new customers involve persuading prospect to purchase a firm's products. Customer acquisition therefore, means all the tactics an organization uses to acquire new customers and also convert existing customers into loyal ones, encompassing interconnected activities involving customer touchpoints, customer engagement and customer conversion (Ateke & Amangala, 2020). It address a firm's need to win new customers for its products (Berndt et al., 2005). In the view of Taylor (2009), customer acquisition simply involve converting prospects into customers.

While managing customer acquisition activities, firms must consider potential customers to target, how to communicate with them and what to offer them (Lianos & Sloev, 2016). Firms acquire new customers by identifying an ideal customer portfolio, exceeding customers' expectations, establishing consistent communication with customers and delivering customized offers and implementing customer relationship management (CRM) initiatives. Afeche and Baron (2013) states that customer acquisition is essential to developing a foothold in a market, and increasing revenue for a business. Thus, customer acquisition is an aspect of customer lifecycle management (Kotler & Keller, 2012; Buttle, 2009).

Galetto (2015) posits that without a well-developed, focused and successful customer acquisition strategy, customer retention and expansion programmes are baseless. Customer acquisition serves a buffer for old customers that may not be profitable or be lost over time. Organizations consider the cost of customer acquisition as an important measure in evaluating how much value customers bring to their business.

Customer retention

Retained customers are those who continually purchase a firm's products; or remain in a business relationship with a firm over time. It results from exceeding customers' expectation, and turning them into loyal advocates of the firm and its products (Buttle, 2004). This means that to retain current customers, the must not only aspire to satisfy them, but delight them. Customer retention is a desired marketing objective because retained customers willingly pay higher prices, become brand conscious and prestige sensitive (Khan, 2012).

Customer retention also mean the number of customers who remain committed to a firm and its brand over time (Ioanna, 2013); and which manifests continuous patronage and brand-firm relationships. A firm's ability to retain customers is often enhanced by its technology, the way it serve current customers and its reputation within and across its industry (Ateke & Amangala, 2020). Gee et al. (2008) opine that customer retention has long-term value for firms, as it drives profitability sustains growth.

Customer expansion

Ateke and Amangala (2020) suggests that increasing customer value, extending breadth and depth of customer relations and improving turnover and profits are key marketing objectives in today's overly competitive marketing environment. To achieve these objectives however, firms must exploit avenues for more business with current customers, and this is where customer expansion becomes relevant.

Customer expansion means creating extra value by making existing customers buy more or increase their usage of a product. It encompass actions of marketers aimed at broadening the volume of business they obtain from current customers by attracting more of their footprint and share of their wallet (Ateke & Amangala, 2020). Hamilton-Ibama and Hart (2023) states that customer expansion simply means growing customers of a firm (Hamilton-Ibama & Hart, 2023). Kwiatkowska (2018) argue that firms expand current customer by exploiting up-selling and cross-selling opportunities.

Brand Association and Marketing Effectiveness

Choudhary et al. (2023) studied impact of brand association on brand equity in the organized retail sector. The intention of the research was to determine the association between brand association

and brand equity. The outcome of data analysis show a direct and significant relationship between brand associations and brand equity in the organized retail sector.

Phong et al. (2019) studied the relationship between brand association and customer loyalty of online retailers in Vietnam. The results validated the view that brand association and brand awareness produce remarkable effects on customer loyalty. Brand association holds a cardinal importance for customers. In the study of Kilei et al. (2016) which investigated the role of brand association on brand performance in the services sector in Kenya; it was reported that brand association has positive significant impact on brand performance,

The foregoing studies provide sufficient clue on the direction of correlation between brand association and marketing effectiveness. Nevertheless, in view of our need to conduct statistical analyses, the following hypotheses were formulated:

Ho₁: There is no significant relationship between brand association and customer acquisition of quoted fast-moving consumer goods companies in Rivers State.

Ho₂: There is no significant relationship between brand association and customer retention of quoted fast-moving consumer goods companies in Rivers State.

Ho₃: There is no significant relationship between brand association and customer expansion of quoted fast-moving consumer goods companies in Rivers State.

Methodology

The study adopted an explanatory research design to ascertain the relationship between brand association and marketing effectiveness. The population of the study consists 21 quoted fast-moving consumer goods companies in Rivers State. All the elements in the population were studied and 63 respondents comprising marketing, sales and production managers provided primary data for the study through a questionnaire designed in Likert 5-point scale. The reliability of the instrument was determined through Cronbach's alpha reliability test, and three null hypotheses were tested using the Pearson product Moment Correlation with the aid of the Statistical package for social sciences (SPSS), version 25.0.

Table 1: Cronbach's Reliability Analysis

Variables	No. of Items	Alpha coefficients
Brand Association	4	0.879
Customer Acquisition	4	0.880
Customer Retention	4	0.909
Customer Expansion	4	0.902

Source: SPSS Output from Survey Research

The reliability analysis of the research instrument is shown in Table 1. As shown in the Table, all the variables in the study have high Cronbach's alpha reliability coefficients that surpass the minimum acceptable level (0.70) set by Nunally (1978). The implication is that, if this study is carried out again in a similar context the results will be similar to the results of this study.

Test of Hypotheses**Table 2: Brand Association and Measures of Marketing Effectiveness**

		Brand Association	Customer Acquisition	Customer Retention	Customer Expansion
Brand Association	Pearson Correlation	1	.890**	.924**	.866**
	Sig. (2-tailed)		.000	.000	.000
	N	57	57	57	57
Customer Acquisition	Pearson Correlation	.890**	1	.867**	.732**
	Sig. (2-tailed)	.000		.000	.000
	N	57	57	57	57
Customer Retention	Pearson Correlation	.924**	.867**	1	.874**
	Sig. (2-tailed)	.000	.000		.000
	N	57	57	57	57
Customer Expansion	Pearson Correlation	.866**	.732**	.874**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	57	57	57	57

** . Correlation is significant at the 0.01 level (2-tailed).

SPSS output of data analyses on brand association and marketing effectiveness (2024)

The results of Pearson Correlation analysis in Table 2 shows that a very strong, positive and significant relationship between brand association and customer acquisition which is evidenced by the correlation coefficient of 0.890 and a probability value of 0.000 that is less than the critical value of 0.05 ($r = 0.890$, $N = 57$, $p = 0.000 < 0.005$). This implies that there is a significant relationship between brand association and customer acquisition of quoted fast-moving consumer goods companies in Rivers State. Thus, the null hypothesis was rejected.

Table 2 also shows a very strong, positive and significant relationship between brand association and customer retention which is evident in the correlation coefficient of 0.924 and a probability value of 0.000 that is less than the critical value of 0.05 ($r = 0.924$, $N = 57$, $p = 0.000 < 0.005$). In view of this result, the researchers rejected the null hypothesis which states that there is no significant relationship between brand association and customer retention of quoted fast-moving consumer goods companies in Rivers State.

Further, Table 2 demonstrates that a very strong, positive and significant relationship between brand association and customer expansion which is evident in the correlation coefficient of 0.866 and a probability value of 0.000 that is less than the critical value of 0.05 ($r = 0.866$, $N = 57$, $p = 0.000 < 0.005$). In view of this result, the researchers rejected the null hypothesis which states that there is no significant relationship between brand association and customer expansion of quoted fast-moving consumer goods companies in Rivers State.

Discussion of Findings

The test of hypotheses revealed that brand association has very strong, positive and significant relationships with customer acquisition, customer retention and customer expansion. These finding are in line with the findings of Choudhary et al. (2023) that brand association enhances brand equity in the organized retail sector. The results also corroborates the report of Phong et al. (2019) that brand association holds a cardinal importance to customers' willing to pay.

The findings of present study support the findings of Kilei et al. (2016) who investigated the role of brand associations on market brand performance in the services sector within the context of a

developing economy, in particular the banking industry in Kenya; and found that brand association significantly impact brand performance.

Conclusion and Recommendations

In view of the findings of this study and the findings of previous studies examined, this study concluded that brand association positively and significantly relates with marketing effectiveness of consumer goods companies in Rivers State. This means that brand association is an important brand equity practice that will improve marketing effectiveness of quoted fast-moving consumer goods (FMCG) companies in Rivers State.

This means that, by using brand association, quoted FMCG companies operating in Rivers State will be able to improve in customer acquisition, customer retention and customer expansion. It is the recommendation of this study that managers of the FMCG companies operating in Rivers State must improve the functional and non-functional attributes of the product for the purpose to achieving the marketing effectiveness.

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