Sustainability Marketing Strategies and Service Localization of Multinational Food and Beverage Firms In Rivers State

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Abstract
The growing emphasis on the effect of firm's activities and business operations within communities and regions is such that has over time prescribed research and scholarly interests. This is as the success or effectiveness of service localization is often based on the spectrum of how well such services align with the sustainability expectations of the host community or context. This paper therefore examined the relationship between sustainability marketing and the effective localization of services. The study is designed as a cross sectional survey and data was generated from a population of 63 supervisory staff of 9 multinational food and beverage manufacturing firms in Rivers State using the structured questionnaire instrument. The Spearman's rank order was utilized in assessing the relationship between the dimensions of sustainability marketing (relationship marketing, green marketing and ethical marketing) and the effective localization of multinational food and beverage manufacturing firms' services. The findings revealed significant correlations between the dimensions of sustainability marketing and effective localization. It was concluded that sustainability marketing advances the green position and goals of the firm and as such enhances its service features and attributes, such as that they are well received, patronize, advocated and thus, effectively localized.
Keywords: service localization, sustainability marketing, green marketing, relationship marketing, ethical marketing.

I.   Introduction

The survival and performance of organizations depends on the extent to which it addresses the specific needs and expectations of its context. Curtis (2007) stated that given the multiplicity of experiences particular to a variety of contexts, there exists a growing challenge, especially for multinationals to effectively localize their services to match the gaps in their business localities or regions. This is as Stanworth (2009) opined that service localization identifies with the specific formats relatable and understandable by the market and enhances the organization's level of competitiveness. This signifies the imperative for a repositioning of values and systems, through the adoption of practices best aligned to address the unique features of the market or operational context of the multinational organization.

Service localization describes the process of service specification which address the unique characteristics and prevailing gaps particular to certain localities, regions, States or nations. It is a process which entails an understanding of the socio-cultural factors and underlying historical formation or evolution of the peoples within the context of operation. While previous studies on service localization have emphasized processes or antecedents such as organizational learning (Jayalgi& Martin, 2007), adaptability (Wei & Lau, 2010), knowledge management (Easterby-Smith & Lyles, 2011), absorptive capacity (Carmelli&Sheaffer, 2008) and systems re-configuration (Czinkota&Ronkainen, 2010), the growing reports of conflict and contention between multinationals and their host regions or communities is such that requires further analysis into the impact of sustainable practices such as sustainability marketing and the effect of such on service localization within a context such as Nigeria.

Sustainability marketing is considered a recent but highly engaging concept given its focus on the behaviour, actions and operations of multinationals and their choice of eco-friendly and socio-integrative strategies (Peattie&Belz, 2010).Sustainability marketing refers to those strategies which are considerate of the external implications of the organization's actions, and also its interactive nature with its social environment. This study departs from previous studies as it investigates the relationship between sustainability marketing strategies and the service localization of multinational food and beverage firms in Rivers State. The significance of this study is hinged on its departure from previous positions on addressing service localization and its

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identification of on-going sustainability issues and practices which mar the relationship between multinationals and their host communities and as such impact on their effective service localization. In this vein, the study attempts to answer three major questions:

i. To what extent does relationship marketing impact on the service localization of multinational food and beverage firms in Rivers State?

ii. To what extent does green marketing contribute towards the service localization of multination food and beverage firms in River State?

iii. To What extent does marketing ethics influence the service localization of multinational food and beverage firms in Rivers State?

Sustainability Marketing Strategies

Sustainability refers to the actions of the organization which are considerate of the environmental and social features of their context even as they provide value and customer services that are of economic benefit (Peattie&Belz, 2010; Gurbor&Milovanov, 2017). Varadariajan(2014) describes sustainability as comprising of the environmental, social and economic factors of the organization's business activities and operations. Sustainability marketing, as such relates to those marketing functions which emphasize on the relationship between the organization and its environment, as well as its social exchanges and interactions with the elements that populate its environment. Sustainability marketing can therefore be described as marketing which is geared to improving business activities in line with the social, environmental and economic dynamics of its context.

In measuring sustainability marketing, this paper builds on its operational features and content of focus, which relate to customer relations, the environment and the pursuit of economic gain based on ethical tenets and precipices. This aligns with the position ofObermiller et al (2008) who noted that by sustainability the focus of the organization changes from itself, reaching further to identify and address the gaps in customer satisfaction and expectations. This requires an integrative approach towards customer servicing which emphasizes on the inputs and involvement of the significant stakeholders such as the customers in the development and packaging of products and services. While some studies (Heck &Yidan, 2013; Prothero& McDonagh, 2014) have measured sustainability marketing in line with the same components utilized in measuring sustainability itself – social, environmental and economic, it is important to note that these do not address the key manifestations and focus of the subject of sustainability marketing, but rather offer a broad frame of its goal. Hence, this study in line with the operational definitions and models put forward previous studies (Hargroves& Smith, 2005; Crittenden et al, 2010) operationalize sustainability marketing as comprising of relationship marketing, green marketing and ethical marketing.

Relationship marketing: This dimension of sustainability marketing refers to marketing practices and activities focused on establishing, maintaining and sustaining advantageous relationships between the organization and its customers. Relationship marketing is such that embraces and indulges significant parties in the development and formatting of services (Belz&Peattie, 2009). It supports feedback and learning and is aimed as developing long-term exchanges and relationships that equip and enable the organization function effectively within its context.

Green marketing: While studies (Auger et al, 2010; Child, 2005) have tended to substitute sustainability marketing with green marketing, some studies (Obermiller et al, 2008; Belz&Peattie, 2009) have noted that the distinction between both concepts are clearly evident. While green marketing refers to those marketing practices which address primarily green environmental ideologies and environmentally friendly products, sustainability marketing incorporates features of green marketing as well as the social and economic dynamics of the business. In this way, sustainability marketing offers a broader and more encompassing scope with regards to the behaviour and operations of the organization.

*Ethical marketing***:** The dimension of ethical marketing describes those control measures and regulatory frameworks which streamline and constantly evaluate the organizations actions and behaviour in line with its values and ethical codes. Belz and Peattie (2009) opined that ethical marketing refers to those attributes of marketing that are premised on generating products, services and promotions which align with the ideals and justifications of trust, integrity and responsibility.

Service localization

Service localization is defined as the translation or transformation of service or product formats to suit the unique gaps and expectations of the local market. Within Nigeria, the competition between most multinationals and indigenous food and beverage firms is often premised on factors such as product pricing, product packaging and product availability (Oke et al, 2012). However recent studies indicate that service localization is also affected by the utility of language and cultural undertones in product promotion, hence most food and beverage firms such as Coca-Cola, have over the years adopted marketing strategies such as the personalizing of products using customers names on bottles. This has further contributed to sales and improved their competitiveness (Oke et al, 2012).

While studies (Curtis, 2007; Stanworth, 2009) identify service localization as being critical to the success of the organization, most of these studies have focused more on service industries such as banks and telecommunication firms. Notably, within such industries, the localization of service may not change the actualservice itself, but rather the systems, processes and promotional forms concerned with the product or service. In this vein, the service remains the same but the forms and system can be re-configured to address efficiency and relatability issues. However, within the Nigerian food and beverage industry, products have been reportedly (Oginni&Adesanya, 2013) impacted by the need to localize, especially when concerns are raised about the health implications or nature of ingredients used in the product. A good example is the Coca-Cola introduction of zero-free sugar coke in response to the growing outcry against their sugar content in Nigeria.

Sustainability Marketing Strategies and Service Localization

As noted in the previous section, the decision to localize is often premised on the organization's need to be relevant and competitive within its operational context. Notwithstanding, there is also the need for organizational conformity to prevailing norms as well as its institutionalization within its context. Most societies, given the growing awareness of climate change, water pollution and the lose of farms and plantations due to the negative effects of the activities of multinationals, emphasize through regulatory frameworks and laws, the adoption of sustainability practices in business activities and operations (Imrie et al, 2002). More so, the adoption and engagement in sustainability marketing strategies has the tendency of enhancing the corporate image of multinationals, thus, improving their goodwill.
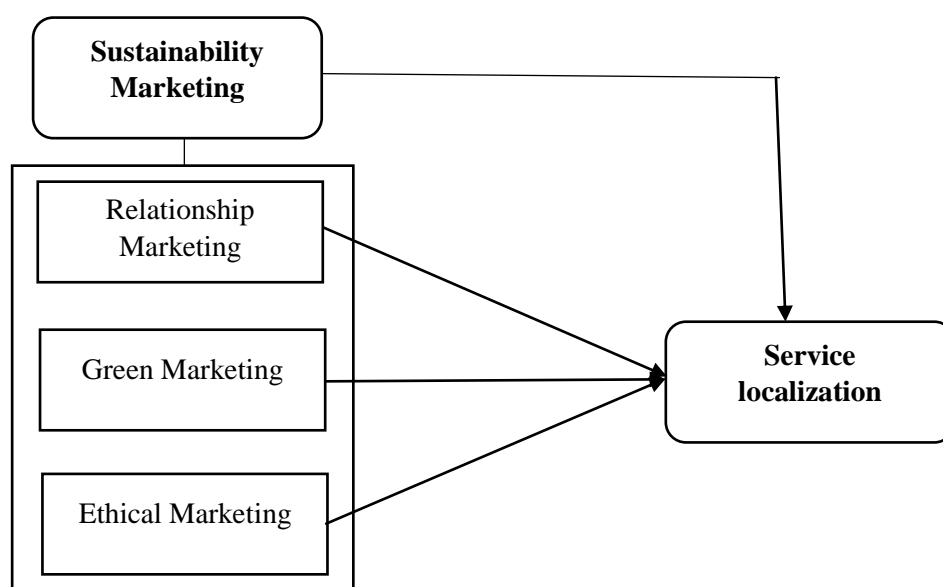

Figure 1. Operational framework for the study
Conceptualized by the researcher (2021).

Figure 1 above illustrates the operational relationship between the dimensions of sustainability marketing and service localization. The hypothetical relationships between the variables are developed as follows:

Relationship marketing and service localization: The interaction and relationship between the organization and its customers or stakeholders, is argued to have a strong effect on the extent to which it effectively addresses the needs of its customers and the gaps in its market. The development of products and services, according to Morgan (2012) should seek to satisfy the inherent gaps and changes in customer expectations. Given the unique features attributed to each context, relationship marketing reinforces organizational learning and knowledge about market expectations. Thus, this paper hypothesizes that:

H_1:Relationship marketing significantly and positively enhances service localization of multinational food and beverage firms in Rivers State.

Green marketing and service localization: The adoption of green marketing and other environmentally friendly business practices, presents the organization as keen on preserving the environment and as such enhances its relations with host communities and local authorities. This invariably impacts on its level of institutionalization and ability to effectively localize its services (Boehe et al, 2010). In this vein, it is apparent that green marketing encourages stronger levels of collaboration and validation of organizational behaviour by various stakeholders, hence the following hypothesis is put forward:

H₂: *Green marketing significantly and positively enhances service localization of multinational food and beverage firms in Rivers State.*

Ethical marketing and service localization: The emphasis on ethics and behaviour control enhances the trustworthiness and reliability of organizations. Ethical marketing is considered as enhancing the reputation and goodwill of the organization, and as such, impacts on the level of its product or service acceptance and validation within the local market. Obermiller et al (2008) observed that customers are more likely to identify with products which overtime they have observed to be reliable and consistent in features or quality. Based on the foregoing, this paper hypothesizes as follows:

H₃: *Ethical marketing significantly and positively enhances service localization of multinational food and beverage firms in Rivers State.*

II. Research Methodology

The study is designed as a cross-sectional survey. This choice of design is premised on its assessment of several organizational units assumed to shared the characteristics of interest within a particular or specified time window (Sarantakos, 2005). The population was delimited to an accessible population of 72 managerial and supervisory staff from 9 registered and quoted multinational food and beverage firms in Rivers State. Given the accessibility and size of the population, the study was conducted as a census wherein all units were included in the investigation. The primary instrument for data collection in the study was the structured questionnaire, formatted to capture demographic data as well as data on the variables – sustainability marketing and service localization. While the measurement of the variables was based on existing operational definitions and models provided by previous studies (Obermiller et al, 2008; Curtis, 2007; Stanworth, 2009).

Reliability assessment for the study was carried out using the intra-rater tool – Cronbach alpha which assessed the consistency of responses as an indication of instrument clarity and conciseness (Sarantakos, 2005).

Table 1 below illustrates the result for the test on the reliability of the instrument.

Variables	Number of items	Alpha Coefficient
Relationship marketing	3	0.888
Green marketing	3	0.899
Ethical marketing	3	0.833
Service localization	3	0.875

Data Result

The results on the analysis of the data is presented in this section of the paper. Questionnaire instruments were delivered and retrieved personally to and from the target firms based on their proximities. A total of 72 questionnaire instruments were distributed, however, only 63 were successfully retrieved and after collation and treatment of missing values, were considered as admissible in the analysis. The analysis comprised of two sub-sections based on the structure of the questionnaire – the demographic and the variables section.

Demographic Data Distribution

Table 2. Data distribution for gender

		Frequency	Percent	Valid Percent	Cumulative Percent
	Female	24	38.1	38.1	38.1
Valid	Male	39	61.9	61.9	100.0
	Total	63	100.0	100.0	

Fieldwork, 2019

Table 2: addressed the data distribution for the gender of the respondents. The evidence identifies the male respondents as having a higher level of frequency where male respondents account for 62% while the female account for 38%.

Table 3. Data distribution for position

		Frequency	Percent	Valid Percent	Cumulative Percent
	Manager	27	42.9	42.9	42.9
Valid	Supervisor	36	57.1	57.1	100.0
	Total	63	100.0	100.0	

Fieldwork, 2019

The distribution for the position of the respondents (table 3) within the multinational firms reveals that majority of the respondents are supervisors and account for 57% of the total number of respondents, while managers account for 43%.

Table 4. Data distribution for years in operation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Less than 10 years	1	1.6	1.6	1.6
	10 - 20 years	41	65.1	65.1	66.7
	Above 20 years	21	33.3	33.3	100.0
	Total	63	100.0	100.0	

Fieldwork, 2019

The evidence illustrated in table 4 illustrates the distribution for the number of years the multinational has been in operation within Rivers State. The result shows that majority of the firms have been operational within the State between 10 – 20 years with a frequency percentage of 65, followed by the frequency percentage for those that have been operational for more than 20 years at 33% and finally the frequency percentage for those with less than 10 years operation within the State at just 2%.

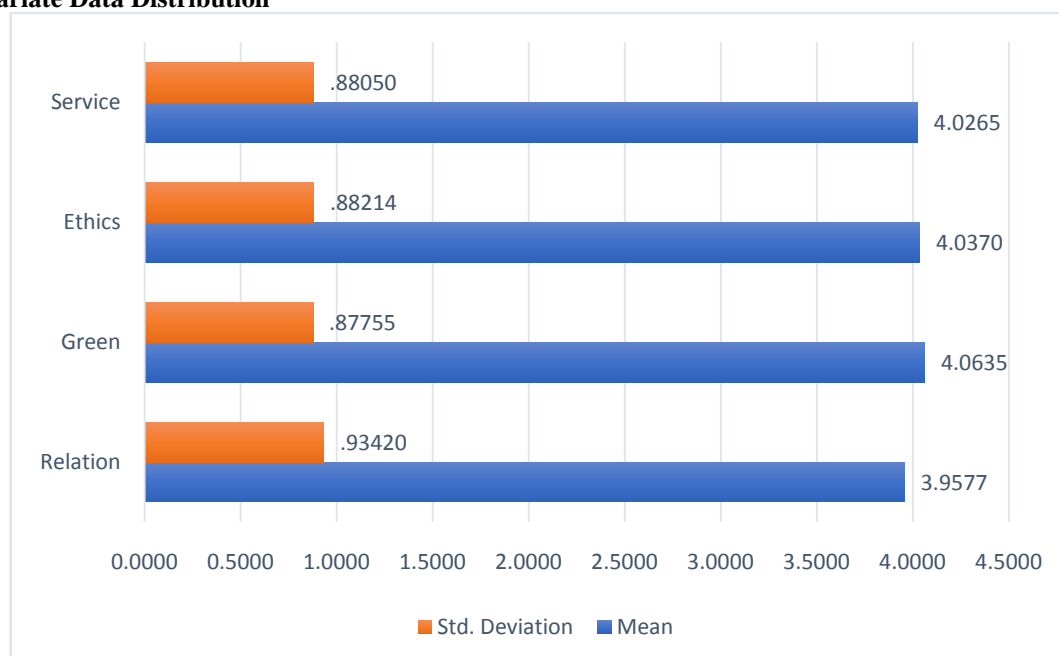**Univariate Data Distribution**

Figure 2 Summary univariate statistics on the variables

Figure 2: illustrates the data summaries for the four key constructs of the study. As shown, there appears to be a high level of affirmation to practices which are related to sustainability marketing and translate into relationship marketing (x = 4.0265), ethical marketing (x = 4.0370), green marketing (x = 4.0635) and service localization (x = 3.9577). The evidence suggests high distributions and manifestations for the variables.

Hypotheses Test

Table 5. Test for Hypotheses

			Relation	Green	Ethics	Service
Spearman's rho	Relation	Correlation Coefficient	1.000	.616**	.474**	.691**
		Sig. (1-tailed)	.	.000	.000	.000
		N	63	63	63	63
	Green	Correlation Coefficient	.616**	1.000	.473**	.581**
		Sig. (1-tailed)	.000	.	.000	.000
		N	63	63	63	63

Ethics	Correlation Coefficient	.474**	.473**	1.000	.449**
	Sig. (1-tailed)	.000	.000	.	.000
	N	63	63	63	63
Service	Correlation Coefficient	.691**	.581**	.449**	1.000
	Sig. (1-tailed)	.000	.000	.000	.
	N	63	63	63	63

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

The result on the outcome of the tests on the hypothetical statements of the study. The evidence shows that the relationship between the dimensions of sustainability marketing (relationship, green and ethical marketing) and service localization are all significant. The evidence shows that at a rho = 0.691 and P = 0.000, relationship marketing influences service localization; at a rho = 0.581 and P = 0.000, green marketing impacts on service localization, and at a rho = 0.449 and P = 0.000, ethical marketing impacts on service localization. Thus, all hypothetical statements are considered as true and accepted.

III.   Discussions and Conclusion

The results express the significance of the relationship between sustainability marketing and service localization of multinational food and beverage firms in Nigeria. Evidence from the analysis identify relationship marketing as having a more significant effect on service localization as compared to the other dimensions of sustainability marketing. The evidence suggests stronger relationships and interactions between organizations and their host communities, lead to stronger and more significant levels of service localization. This coincides with the views of previous scholars (Obermiller et al, 2008; Obadia, 2013; Theodosiou et al, 2001; Stanworth, 2009) who identify sustainability marketing as highly beneficial when it comes to the acceptability and performance of products within the market. The results also agree with the studies of Child et al (2005) who stated that the adoption of green marketing, enhances the organization's social standing with local authorities and offers long-term benefits for the organization.

Based on the evidence presented, it is therefore evident that the success of service localization is anchored in the evidence of strong relationships between the organization and the customers, green organizational practices as well as the organizations adoption of ethics in its actions and behaviour in business. As such, this paper concludes that the adoption and practice of sustainability marketing facilitates improved relations between multinational food and beverage firms, equipping them with the required knowledge of market gaps and customer preferences; thus, allowing for an effective localization of their products and services.

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