ASSESSING THE IMPACT OF FOREIGN MARKET ENTRY STRATEGIES ON MARKETING PERFORMANCE IN THE NIGERIAN FOOD AND BEVERAGE INDUSTRY

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BEING A DISSERTATION SUBMITTED TO THE DEPARTMENT OF MARKETING AND BUSINESS ADMINISTRATION, FACULTY OF MANAGEMENT SCIENCES, DELTA STATE UNIVERSITY, (ASABA CAMPUS)

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MAY, 2017

DECLARATION

I declare that this is an original research work carried out by me in the Department of Business Management and Marketing.

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CERTIFICATION

This is to certify that this research work was carried out by **EKHAYEMHE, Joseph Aigboje,** with matriculation number **PG/14/15/230326** in the Department of Business Administration and Marketing and that, it is adequate in scope and content and has been approved by the undersigned on behalf of Delta State University, Asaba Campus.

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DEDICATION

This research work is dedicated to God Almighty for his loving kindness, mercy and grace giving to me to accomplish this program.

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ABSTRACT

Driven by globalization and internationalization, businesses are no longer satisfied as being only a local giant, hence, the need to go international. Assessing the impact of foreign market entry strategy on marketing performance in the Nigerian food and beverage industry is the focus of this study. Competitive advantage was used as a proxy in this study to measure marketing performance. The cross sectional survey research design method was used in this study. 245 staffs of the top ten industries under the food and beverage categories were sampled cross sectionally. A validated questionnaire was used for data collection and the analytical tools were frequency distribution table for data presentation, descriptive statistics for data analysis, Cronbach Alpha for reliability test and the multiple regression analysis was used to model the conceptual relationship between the independent variables and the dependent variable. Findings revealed that three out of the four (4) indicators of foreign market entry strategy have positive significant impact on competitive advantage with franchising exerting the greatest influence. It was also concluded that foreign market entry strategy such as franchising, strategic alliance, joint venture and export have significant impact on marketing performance as it enhances competitive advantage. The study recommended that it is significant to analyze the external and internal factors first-hand before making a decision on going into the global market arena. This study offers a distinctive contribution to the study of the food and beverage industry and marketing performance in respect to foreign market entry strategy and may be useful to the business community, policy makers and academics.

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CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Internationalization of organizations has been a contentious territory of research in the fields of financial matters, global business and legislative issues. In financial aspects and universal business research, examinations of the prompt impacts in an economy are embraced utilizing two noteworthy methodologies. One is the large-scale approach, which includes the experimental examination of trans-border organizations consequences on financial development, exchange, genuine wages or business. Furthermore, the other is the miniaturized scale approach which relates methodology of such inter border operations on smaller economic units, for example, firms or plants.

Be that as it may, in both full scale and smaller scale examinations, there is a significant level of verbal confrontation and differentiating views. Beginning from full scale examinations, a few investigations contend that foreign entry of organizations can increase residential capital amassing and along these lines improve financial development (Onyekwena, 2012). So also, similar studies have demonstrated its effect on household investment by raising the investment proportion over the residential reserve funds proportion (Thirlwall, 2006). On the other hand, Otokiti (2012) contends that such business ventures can crowd out domestic investment and create distortions within the economic which deter GDP growth; raise the price of capital and thereby depress investment through containment of local industry as seen in the Nigerian food and beverages industry. The food and beverage industries are categories of the Fast Moving Consumer Goods (FMCG) sector. FMCGs are generally cheap products that have a short-shelf life and are purchased by consumers on a daily and regularly basis. The food and beverage industries seem very competitive and seem to have a full knowledge about customer benefits and values. The industry is one of the best performing segments of the Nigeria's manufacturing industry contributing 22.5% of the total growth experience in the manufacturing sector (John, 2012).

Firms are progressively enhancing their geographic extent of universal business exercises crosswise over various nations and districts looking for an upper hand. The extension past the domestic market permits firms, among different advantages, to seek after development openings inaccessible in the local market and to spread hazard through geographic enhancement.

In the course of the most recent four decades, a basic move has been going on the planet economy. We are bit by bit and consistently moving far from a world in which national economies were moderately independent elements, disengaged from each other by obstructions to cross-border trade and exchange; by distance, time Zones, and dialect; and by national contrasts in government control, culture, and business frameworks. Furthermore, we are moving toward a world in which hindrances to cross-outskirt exchange and investment are at the end of its life; perceived distance is contracting because of advances in transportation and media communications innovation; material culture is beginning to appear to be comparative the world over; and national economies are incorporating into an associated, coordinated worldwide financial framework. The procedure by which this is happening is regularly referred to as globalization.

As the globalization of the marketplace continues, companies that conduct business only within their national precincts will find it difficult to continue to exist. One approach to adapt to this issue is for organizations to grow their operations past home nation frontiers into other countries through various foreign country entry modes. These modes play an important role as a tool in worldwide competition and is seen in modern times as a "primary force" shaping globalization (Vladimir, 2007). According to Amungo (2014), Internationalization by firms has been defined as the process of increasing involvement in international markets by firms for a variety of motives. This view is further buttressed by Michalski (2015) who noticed that a global trade is the way toward masterminding and conducting transactions across national borders to satisfy the objectives of customers and enterprises. The reality n ground is that the idea of foreign market entry is the core requirement for an exchange to take place which is geared towards the satisfaction of either the proactive or responsive motivations. Proactive intentions occurred when the firms possesses profit advantage, unique products, technological advantage, elite data, administrative urge, tax reduction and economies of scale, while reactive motivations are forced on the firm due to competitive pressures in the domestic market, overproduction, declining residential sales, overabundance limit, saturated domestic markets and proximity to clients or following clients.

Essentially, firms can be said to grow universally to; exploit market opportunities, achieve economies of scale and geographic scope, exploit their core competences and resources in new markets, source lower cost of supplies, labor and other inputs in their value chain and diversify risk. In the perspectives of Shaw (2015), not all industries can offer the same profit potential to a firm and the potential depends on factors such as the economic and political environment of the country. The economic and industry’s attractiveness of a country’s economy rely on upon the size and demographics of the market, advantages, expenses, and dangers relating with working together in that country, the expectations for everyday comforts and potential monetary development. Expenses and dangers required with conducting, business in a foreign country are by and large lower in nations that are economically advanced and politically stable which have a free market framework with little inflation or private sector debt. However, the potential for development may be prominent in an undeveloped country. These salient features, according to Analogbei (2012) are the hallmarks of the food and beverages industry in Nigeria, which at present houses 54% foreign owned establishments and 46% indigenous businesses. Furthermore, the industry is, preempted to have a 25% annual growth rate as orchestrated by the rapid population growth and family style (Porter, 1980).

Studies on the relationship between the choice of international market entry strategy and firm performance are abundant at global level. These include Taylor and Zou (2000); Zekir and Angelova (2011) Studies on the choice of international market entry strategy and firm performance seem to concentrate on the developed and emerging countries. Accordingly, the focus of this investigation is to learn the relevance or otherwise of foreign market entry strategies in the determination of competitive advantage of firms in the Nigerian food and beverages industry. The components or variables of foreign market entry strategies such as franchising, strategic alliance, joint venture, export amongst others, would be tested on marketing performance /competitive advantage. This is to verify to what extent foreign market entry strategies can increase marketing performance efficiency and as well increase competitive advantage of the food and beverage industries in Nigeria. Majeed (2011), defines competitive advantage as the retention of earnings higher than normal. According to Hana (2003), a firm has the competitive advantage if it gains a higher economic profit than the average rate of profit in the same market.

Saloner Garth et al.(2001), pointed out that ,competitive mainly means that the firm can produce goods or services that the consumer perceived more valuable than goods produced by other competitors. Furthermore, Porter (1980), deals with competitive advantage in the context of competitive strategy. He sees competitive strategy as the willpower of a firm's position in a competitive environment. The reason of competitive strategy is to pick up knowledge about the market through comprehension and anticipating the economic factors, especially other competitor's behavior. Competitive advantage makes a firm to create an item that is not producible by other contenders.

1.2 Statement of the Problem

Despite the pace of change in the Nigerian food and beverage industries, there seems to be no global competitiveness. Nigerian companies appears to be outperformed in the global arena, as none seems to be adjudged as a global firm when compared to other companies in foreign operations in other nations of the world. This could be because of the way managers who engaged in foreign market entry strategy impose their own entry choice on their organization without proper investigation. Present day Nigerian companies have more options of choices in foreign market entry strategies unlike in the past where they are limited only to exporting. It is a fact that the choice of a particular entry strategy adopted by a firm is a basic determinant in the effective running of a foreign operation. Perhaps, a major reason why Nigerian companies are not competitive globally could be from the entry strategies they adopted. Thus, this study seeks to provide the framework to solving the difficulties in selecting the appropriate foreign market entry strategy by the food and beverage industries in Nigeria when planning to go into the international business arena with a view to having a competitive advantage over their rivals.

They appear to be uninformed that the various foreign market entry strategies such as franchising, strategic alliance, joint venture and export can lift their organizations into greater marketing performance and importantly lead them to having competitive advantage. They seem to find it difficult to enter into franchising, strategic alliance, joint venture and export with other organizations as this will make them very competitive in nature. Most food and beverage industries face these problems in Nigeria.

1.3 Research Questions

The accompanying research questions guides this study

I. What are the effects of Franchising on competitive advantage of firms in the Nigerian food and beverages industry?

II. To what extent does Strategic alliance influence competitive advantage of firms in the Nigerian food and beverages industry?

III. What are the effects of Joint venture on competitive advantage of firms in the Nigerian food and beverages industry?

IV. Does Export have any impact on competitive advantage of firms in the Nigerian food and beverages industry?

1.4 Objectives of the Study

The general objective of this study is to assess foreign market entry strategies on a firm's performance in the firm competitiveness in the Nigerian food and beverages industry. The specific objectives are to:

I. to examine the impact of franchising on competitive advantage of firms in the Nigerian food and beverages industry.

II. to ascertain the effect Strategic Alliance has on competitive advantage of firms in the Nigerian food and beverages industry.

III. to determine the effect Joint Venture has on competitive advantage of firms in the Nigerian food and beverages industry.

IV. to assess whether Export would impact on competitive advantage of firms in the Nigerian food and beverages industry.

1.5 Statement of Research Hypotheses

HO_1: There is no significant relationship between franchising and firm competitiveness in the Nigerian food and beverages industry.

HO_2: There is no significant relationship between strategic alliance and firm competitiveness in the Nigerian food and beverages industry.

HO_3: There is no significant relationship between Joint venture and firm competitiveness in the Nigerian food and beverages industry.

$H0_4$: There is no significant relationship between Export and firm competitiveness in the Nigerian food and beverages industry.

1.6 Scope of the Study

This study assesses foreign market entry strategies on marketing performance in the Nigerian food and beverage industry and its impact on firm's competitiveness. Ten (10) companies were, used for this study. The study covers four basic entry strategies/ constructs used as independent variables namely franchising, Strategic Alliance, Joint venture and Export while the dependent variable construct is competitive advantage. The population and the sample elements are, centered on managers and top employees at the supervisor levels of the studied organizations. It is, assumed that the indicators would make for easy measurement of entry strategies and firm competitiveness.

1.7 Significance of the Study

This study examines the relationship between entry mode strategy and performance of firms in the food and beverages industry in Nigeria. It uses competitive advantage as a measure of firm marketing performance and measures it against four entry strategies namely Franchising, Joint Venture, Strategic Alliance and Export. Though, previous studies have highlighted the link between entry strategy and organizational performance. However, no study as far as we are concerned has examined this relationship in the context of food and beverages industry in Nigeria. The generality of the existing studies focused on organizational sales performance, leaving a gap on the course of their studies which this study attempts to fill by focusing on the linkage between these four strategies and firm competitive advantage. The study has impact on the management of foreign companies as it shows the relevance or otherwise of entry strategies in line with the performance of these entities.

The study is of significance to the government because it will help her to recognize and regulate the activities of multinational companies in the country. The information from this study, act as a guide to policy decision making.

Other indigenous business organizations in the country will also benefit from this study because it will help them to compare various entry strategies available for adoption on an empirical basis should they decide to internationalize their operations in the nearest future.

Future researchers and the academic community would also benefit from this study as it serves to bridge the knowledge gap in the literature. In so doing, the study will be a reference material and addition to the existing literature on the subject matter.

1.8 Limitations of the Study

It is assumed that the researcher will encounter some limitations while carrying out this study. Although, procedures were implemented within the data validation process to reduced these limitations. This study could have been, strengthened by triangulation with the inclusion of observable based report and or performance assessment. As a self-reported survey, the data gathered for this survey is dependent on the honest and in-depth reporting of thoughts, perceptions, rating of important and judgment of the staff of the studied industries.

Furthermore, the participants were, not given a presentation on foreign market entry strategy prior to taking the survey instrument by the researcher in order to prevent any form of bias and subjectivity that could possibly influence the response of respondents in the survey. Generalizability is limited to ten manufacturing industries within the food and beverage sector in Nigeria. The inclusion of other sectors besides the food and beverage settings could have broadened the scope of Generalizability.

Respondents who double as employees of the chosen firms tend to have special liking for secrecy, thereby tend to avoid researchers. Some of them could be illiterate and therefore cannot be useful for the research since they may be afraid that if they give out right information it may be, used against them. The research is mainly for academic purpose. Finally, there are absent of local researches done on the subject area and as such the study relied on foreign studies and the use of internet resource to get materials for the literature review.

1.9 Definition of Key Terms

The major terms used in this research work are, fittingly defined to establish clarity in meanings.

Competitive Advantage: is used in this study as superiority, gained by an organization by providing greater perceived value to customers, either through lower prices or through additional benefits and services that justify similar or possibly high prices.

Internationalization: is used as the process of increasing involvement in international operations or is a process in which relationships are continuously established, developed, maintained and dissolved with the aim of achieving the objectives of the firm.

Globalization: is used as the process whereby worldwide interconnections in virtually every sphere of activity are growing and evolving to become one.

Strategy: is used as the art of planning and marshalling resources for their most efficient and effective use.

Mode of entry: is used as the method of gaining entry or help companies to determine goals, resources and policy in order to channel their international activities toward a sustainable international expansion.

Performance: is utilized as the market share of the overall industry.

CHAPTER TWO

LITERATURE REVIEW

2.0 Introduction

This section concerns a systematic analysis and appraisal of studies, works and documents containing information about the problem under study. As Olannye (2006) opined, it serve as an essential ingredient for development of knowledge since every study builds on and benefits from previous studies. Therefore, for the purpose of proper organization, the researcher has structured this section into four (4) main frameworks;

Conceptual review

Conceptual framework

Theoretical framework

Empirical review

2.1 Conceptual Review

2.1.1 Foreign market entry strategy

Market entry strategy is when introducing new products to new/existing market, which can cause an impact on the market from their time of entry (Green, Barclay and Ryans, 1995). A market entry involve a combination of factors that determine firms' foreign market entry decisions, which consist of cultural aspects, Location costs, internalization, financial variables, competitive strategy and the cost of doing business abroad (Buckly and Casson, 1998). Indeed, certain researchers use the terms "entry mode" and "entry strategy" interchangeably, e.g. Cavusgil et al. (2011) and Andersen and Buvik (2002), while Root (1987) defines entry strategy as a range of decisions, and entry mode as one of them. Entering a new market is one of a firm's most important strategic choices, it requires strong commitment concerning financial and managerial resources and a variety of research methods in several fields such as country size and the level of development, trade and infrastructure (Mitra and

Golder, 2002) as well as competitive advantages, market assessment and timing of entry (Green, Barclay and Ryans, 1995). As firms increasingly engage in international business and increasingly depend on international markets for survival and growth, the importance of the strategic reasoning and decision-making related to internationalization is ever growing. At the very heart of any international strategy lies the selection of what markets to enter and the entry mode for each market (Koch, 2001).

In choosing market expansion strategies, companies face several elements that can cause a variety of competitive conditions in diverse markets over time; these challenges could appear in different forms such as firms that gain fast rate growth through short product life cycle can develop entry barriers against competitors and increase profitability. On the other hand choosing few markets for accelerated growth can lead to increased market share and indicate a powerful competitive state (Hollensen, 2014). Companies may pursue different types of entry strategies to establish in certain markets, one of these strategies is a global strategy. A global strategy is driven by the environment of the international competition in certain industries (Hutt and Speh, 2010). In order for firms to stand international competition they should create an integrated global plan consisting of a set of choices as shown in the following figure:

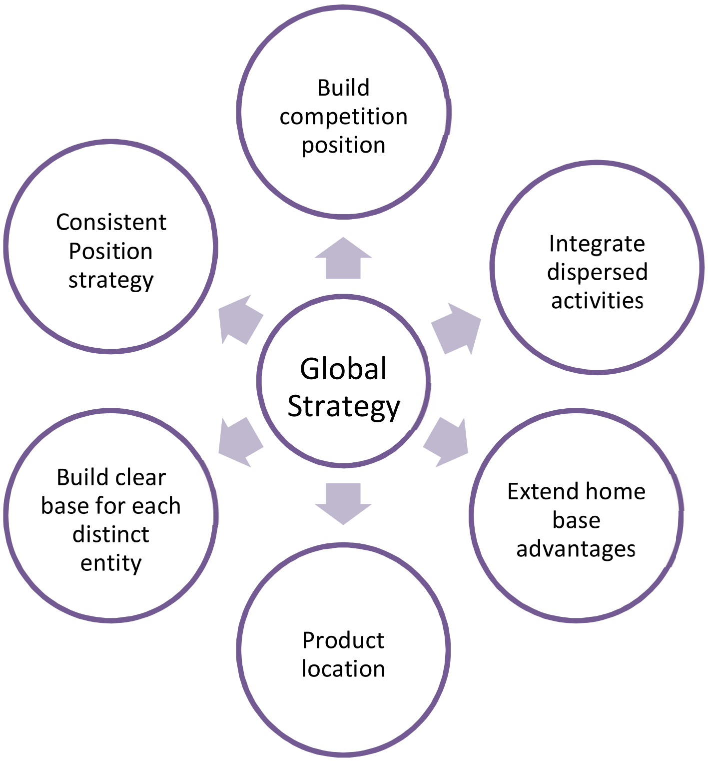

Figure 1: General Framework for Global Strategy (Hutt and Speh, 2010 p. 200).

According to Hutt and Speh (2010), for a firm to build a unique *competitive advantage,* it is important to focus on globalizing the business and product lines where it has most unique and strong advantages; the key to achieve this competitive advantage relies on the company's ability to create cost differentiation, perform activities at a low cost or carry out activities that can help on creating customer value and supports a premium pricing strategy. Another approach to a successful global strategy could also be to emphasize a consistent positioning strategy through augmenting a distinct strategy and keep the company's strategic attention highly focused on the greater international opportunities; as well as establishing a clear home base for each distinct entity through locating the business where the strategy, product, technology and the advanced production are maintained. For an effective global strategy, companies should as well focus on distributing their product-lines and activities to home bases at different locations with the most advantageous opportunities; and integrating their activities to avoid any challenges that could arise due to language and cultural differences when it comes to international markets (Hutt and Speh, 2010).

Entering a new market requires several entry modes that could help the firm on making the right decisions, the previous should be based on balancing risks and rewards resulted from the chosen entry (Rienda and Quer, 2007 as seen in Akhsassi 2014). Mintzberg (1978), as seen in Arnstorp, (2013) defined strategy as “a pattern in a stream of decisions”, this study views foreign market entry strategy as the stream of decisions that leads to entry into a foreign market. These patterns of decisions that should be considered when entering into the foreign market are;

- the rationale for market selection,
- the choice of entry mode and
- staffing and establishing foreign operations

2.1.2 The Rationale for Market Selection

Frequently described as a standout amongst the most basic choices in international business (Cherunilam, 2007, Andersen and Strandskov, 1997), market selection is worried with recognizing and screening potential country-markets and ultimately selecting which markets to enter. The market selection process is usually composed of stages, such as preliminary screening, identification/in-depth screening and final selection (Koch, 2001). At each stage markets are assessed based on a range of selection criteria such as market size and growth, availability and cost of production factors, level of economic development, country condition, psychic separation, market-based variables, competition, information and market knowledge (Sakarya et al., 2007). More generally, such selection criteria can thus be outer or inner to the firm, they can be market- or industry-based, host country institution-based or firm resource-based. Despite presenting a scope of various choice criteria, Cavusgil et al. (2011) ultimately states that "the best markets are large and fast-growing", emphasizing the significance of market-based factors. The factors considered and the reasoning leading to market selection constitute the firm's rationale for market selection.

2.1.3 Choice of Entry Mode Strategies

Conceivably, the most widely studied concept within the foreign market entry process is the choice of entry mode. Root (1983) defines foreign market entry mode as "an institutional course of action that makes possible the passage of a firm's items, innovation human aptitudes, management, or different assets into a foreign country". Anderson and Gatignon (1986) allude to the entry mode as the "governance structure" of the foreign operations. Choosing an entry mode includes several trade-offs, and each available entry mode has its focal points and weaknesses. Firms seek to choose an entry mode that yields the desired measure of control over operations in the foreign country, while at the same time adhering to the firm's resource constraints and limiting the risk assumed.

According to Root (1987) "to gain greater control, the company will have to commit more resources to foreign markets and thereby assume greater market and political risks." Anderson and Gatignon (1986) , in this manner recommends that the decision of entry mode is a function of this exchange-off among control and resource commitment, while Cavusgil et al. (2011), in addition includes the dimensions of flexibility and risk.

Several different classifications of the generic entry modes accessible to the firm have been proposed. In an expansive broad sense they can be classified as either low-, medium- or high-control modes (Anderson and Gatignon, 1986, Cavusgil et al., 2011) or as either export, contractual or investment/equity modes (Root, 1987).

Based on 15 more specific entry modes presented by Root (1987), Johnson and Tellis (2008) propose the following five generic entry modes:

Export: a firm's sales of goods/services created in the home market and sold in the host nation, specifically or through directly an entity in the host country, for example, a business specialist or distributor.

License and Franchise: A formal consent or right offered to a firm or a specialized agent located in a host nation to utilize a firm's exclusive innovation or other knowledge resources in return for payment.

Alliance: Agreement and joint effort between a firm in the home market with a firm situated in a host nation to share activities in the host nation.

Joint Venture: Shared responsibility of an entity situated in a host nation by two accomplices – one situated in the home country and the other situated in the host nation.

Wholly Owned Subsidiary: Complete ownership of an (acquired or developed) entity situated in a host nation by a firm situated in the home country to manufacture or perform esteem expansion or offer products/benefits in the host country.

Figure2 depicts these entry modes according to the trade-off dimensions of Cavusgil et al. (2011), namely control, resource commitment, flexibility and risk.

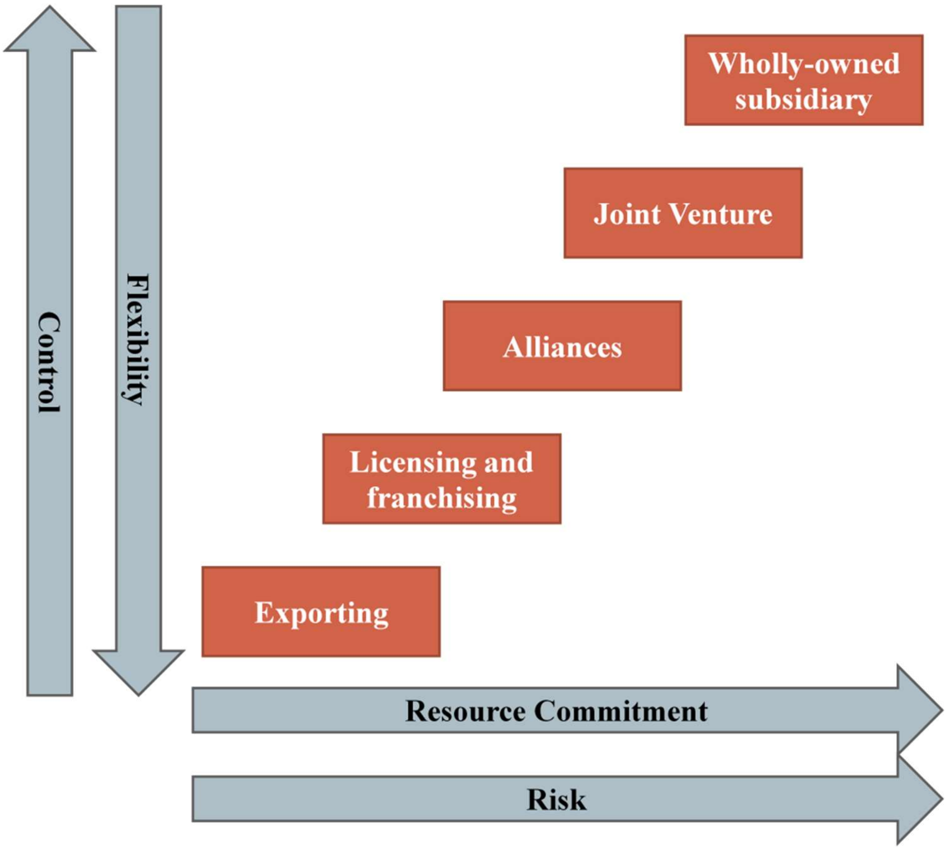

Figure 2 – Entry modes and trade-off dimensions (adapted from Johnson and Tellis (2008) and Cavusgil et al. (2011))

2.1.4 Staffing and Establishing Foreign Operations

Given that the chosen entry mode includes a type of subsidiary in the foreign market, either jointly or wholly owned, the entrant firm must establish foreign business operations.

This entails a range of activities such as designing and staffing an organization, hiring or buying offices or facilities, contracting external advisors, accounting and auditing firms and other business partners, getting important licenses, certificates and approvals required to operate in the host country etc. This third aspect of foreign market entry strategy is worried with the difficulties, costs and decisions related to setting up foreign operations.

It is a less concise and restricted aspect than the two former, and is expected to be open enough to capture an extensive variety of issues firms are exposed to when setting up business operations in the particular foreign countries considered in this study. One vital part of the staffing strategy, is the decision between employing parent country nationals (PCNs) or expatriates, host country nationals (HCNs) and third country nationals (TCNs), corresponding to the categorization of Cavusgil et al. (2011). According to Gaur et al. (2007) this staffing decision has implications for control, coordination and knowledge management between the parent firm and the subsidiary, as well as affecting subsidiary responsiveness and legitimacy in the host country. Additionally, this part of the market entry process is intended to address the total costs and the time it takes to set up business operations in the foreign country.

2.2 Foreign Entry Market Mode Classification

The decision of foreign market entry mode is the choice of which type of operation to use to enter foreign markets. Firms growing past their national limits are confronted with the key choice of how to build themselves abroad. To understand and investigate firms' Mode of Entry (MOE) is what concerns researchers in foreign market entry. Entry mode researchers have examined a substantial number of entry mode types, yet, the extent of this number is not completely agreed upon. To give some examples, Anderson and Gatignon (1986) list 17, Pan and Tse (2000) proposed 10,Erramilli and Rao (1990) charaterize 11 while Brouthers and Hennart (2007) recognize 16 diverse entry mode types in the observational writing.

Other than various perspectives on the correct number of sorts, analysts additionally recommend different approaches to characterize entry mode type. Be that as it may, there is by all accounts accord on three (or four) general classifications into which the different types fall. These pursue a custom worked around the works of Root (1987), which has later been embraced and additionally adjusted by numerous researchers (e.g. Pan and Tse, 2000; Sharma and Erramilli, 2004). These types are export, contractual, and investment/establishment entry modes. A relatively common approach to classify these is presented in the overview in Figure 1. Export entries refer to modes where the firm enters the foreign market through a specialist or merchant/distributor in the host country, contractual/legally binding entries include licensing, franchising or other contractual non-equity understandings, and investment/establishment modes involve real value possession by the participant through e.g. a Joint Venture (JV) or wholly owned subsidiary (WOS). As it can be seen from Figure 1, these diverse classifications may again be separated into subcategories that may again be subcategorized and so on.

Figure 3. Entry Modes

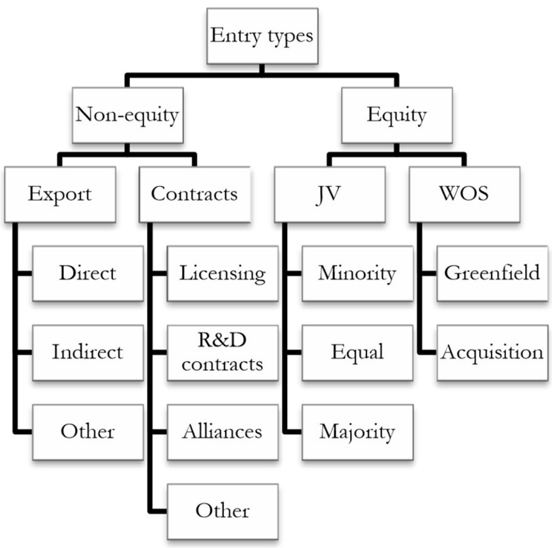

Table I. Establishment Modes

		Establishment mode	
		Greenfield	Acquisition
Ownership mode	Shared	JV (greenfield)	Partial acquisition
	Full	WOS (greenfield)	WOS (acquisition)

Note: Adapted from Pan and Tse (2000) and Root (1987) *Note:* Adapted from Brouthers and Hennart (2007)

Brouthers and Hennart (2007) contend that there exist two unique perspectives in the writing on the contrasts between and the meaning of entry mode structures. In the first view, authors group exports, contracts, JVs and WOSs along a continuum from least to greatest control, hazard, duty/commitment and potential return. A long range of regularly cited classical papers see MOE from this point of view (e.g. Anderson and Gatignon, 1986; Hill, Hwang, and Kim, 1990). This view infers that a similar arrangement of autonomous variables can be utilized to determine MOE regardless of where we are on the continuum. For example, the measure of the entrant may both decide the choice between independent exporting and WOS, and that amongst JV and WOS. Typically, firm size is hypothesized to be emphatically related to MOE implying that little firms enter through exports, intermediate-sized firms through JV and large firms through WOS. The second view does not share setting JVs in the middle of the continuum described previously. Rather, it recognizes plainly between non-value/equity and value/equity modes where JVs are put in the classification. Table I represents this connection between modes of establishment and ownership level. As indicated by this view, principally enunciated by Hennart (1988; 2000), the variables that decide the choice between equity modes require not be the same as those that decides the choice between e.g. value and non-value entries. For example, firm size may decide the decision amongst JV and WOS whilst not being identified with the choice amongst equity and non-equity modes.

2.2.1 Market Entry Mode

Entering another market requires several entry modes that could help the firm on settling on the correct choice. The firm has various options when it is endeavoring to assess a mode of market entry. It should be remembered that there is nobody techniques which is reasonable to all organizations under a specific arrangement of conditions. However, there are number of alternatives which companies and individuals within them have to weigh up under the pertaining market situation. In choosing mode of entry a number of particular factors will shape their choices.

- Speed of entry required
- Financial resources available
- Flexibility required
- Period of return on investment
- Long term objectives of the organization

There are various modes of entry that a firm/corporation may choose to adopt. There are a number of ways to classify the options of entry open to corporations, but no one method is accurate because of the dynamic nature of the global economy. The following mode of entry are listed and explained below.

- Exporting
- Licensing/franchising
- Strategic alliance
- Joint venturing
- Contract manufacturing
- Management contract
- Assembly operations
- Fully owned manufacturing facilities
- Countertrade
- Mergers and acquisitions

- Third country location
- Consortium
- Internet

Exporting: Exporting is the most usual method of going into foreign market. Initially, a domestic business unit begins its global business by trading to one country. Progressively, it extends its exports to various nations. Exporting is exceptionally valuable when a country has surplus production capacity i.e., its household utilization is less than its production capacity.

Licensing and Franchising: In licensing business unit of one nation (Licensor) permits the business unit of other nations (Licensee) to utilize its specialized know-how (patents, trademarks, copyrights and so forth.). For this, licensor charges sovereignty/royalty from license for a stipulated time frame. In the majority of the countries, the rate of royalty ranges from 5 per cent to 8 per cent for sales made. Licensing agreements empowers the licensor to make maximum utilization of its intellectual property. Licensee, as well, can profit the advantages of present day innovation by going into licensing agreement.

Under franchising, business unit of one country (Franchiser) concedes appropriate right to do business in a specific way to the business unit of other country (Franchisee). This right can be with regards to selling the products under the brand name of franchiser. Sometimes, the key parts are given by franchiser to franchisee. In another type of franchising, the producer may select dealers in other countries.

For instance, soda pop makers like Pepsi and Coca-Cola give the key part of their products, Le. Syrup to their franchisee in different countries. The franchisees have their own particular packaging plants where they make soda pops. However they offer the same under the brand name of the franchiser.

Strategic Alliance: Strategic alliance is entered between two business units for accomplishing a particular objective e.g., setting up basic innovative work unit for growing new innovation, giving training to employees of both units. Setting up common research and development unit for developing new technology, providing training to employees of both units.

Joint Ventures: It is a common strategy for getting an entry into foreign market. In joint venture, foreign partner makes a course of action or agreement with nearby unit of other nations in which possession and management are shared by local unit and foreign accomplice. Local unit has thorough knowledge of domestic conditions and it has its local set-up and infrastructure like manufacturing unit, distribution network, service centers, etc.

Contract Manufacturing: In this understanding, specialty unit or business unit of one country goes into agreement with producers of different countries to enable them to fabricate the merchandise at their own, yet the right to market these products is held by the parent foreign enterprise. Under such agreement, the parent foreign enterprise can expand its business to other nations without setting up its own manufacturing plant in other nations. If the parent enterprise feels that marketing in a particular nation is not much profitable, it can have easy exit from that nation as it has not set up its own production plant in other nation.
Management Contracting: In this arrangement, parent enterprise of one nation sets up management agencies. Through these administration offices, business units of different countries are overseen with no stake in possession/capital. It implies the parent venture essentially gives its administrative skill to business units of different countries. For this, a few expenses as rate of benefit or singular amount expense is charged by parent enterprise.

Wholly Owned Subsidiaries: A few organizations open completely possessed assembling units in different countries. These backup organizations are wholly owned by their parent organization. MNCs incline toward this course for globalization when they need to have complete control over assembling activities in different countries. Rather than going into joint ventures, licensing, franchising, exporting, and so on. They set up their own subsidiary units in various countries. MNCs have full proprietorship and control over these subsidiaries. For instance, Samsung gadgets have set up Samsung China as its completely claimed fabricating backup unit.

Assembly Contracts: In this strategy of going into foreign markets, foreign partner gives key segments and parts which are gathered in another country. Usually business unit of developed nation provides key components, while these are assembled in developing nation. These agreements are gone into in order to profit the advantage of the shabby work accessible in developing nations. The products so assembled are showcase under the brand name of foreign parent company.

Cross-border Mergers and Acquisitions: Such mergers and acquisitions happen between business units of various countries. In merger, business units generally operating working at same level, having same sort of business join hands to avoid competition and to improve their long-term competitive strength.

Third Country Route Location: This strategy of taking entry into foreign markets is utilized to exploit well disposed relations between two countries. In this case, one country does not make direct investment in other nation; rather investment is made in third nation. Through this third nation, the investment is routed to destination country.

Turnkey Projects: In turnkey project assertions, business unit of one nation consents to build whole plant for the business unit of other nation. The business unit which consents to develop a plant is known as licensor and the business unit to whom the finished venture is given over after consummation is known as licensee. When initial construction phase of the project is more unpredictable than the routine operational part, then turnkey projects are normal.

Consortium: these are similar to joint ventures and could be classified as such with the exception of two unique qualities (1)they involved a larger number of participants and (2) and they frequently work in a nations or market where none of the member is currently active. Consortia are developed to pull financial and managerial resources to lessen risks.

Internet: the internet is becoming important as a foreign market entry strategy. Internet promoting concentrated on local deals. Be that as it may, a shocking expansive number of companies started receiving orders from customers in different countries, bringing about the idea of the concept of foreign internet marketing (FIM)

2.3 Franchising

With a population of roughly 170 million individuals in Nigeria, business openings are always rising and there is a solid interest for universal brands. In view of the above, the result has been a huge increase in the quantity of foreign franchises in Nigeria, particularly in the food and beverage sector. As of late there has been a growing enthusiasm in the concept of franchising as another dispersion worldview and new market entry technique in the marketing environment. Franchising has always been related with the entrepreneurial soul. Taking a thought and making something with it monetarily has been a noteworthy offering purpose of the franchise sector. The appeal of beginning your own business and independent work and making your own work hours has attracted individuals to franchising.

There are numerous success stories of organizations with a vision or an idea that have made fortunes in the franchise sector, either by creating their own idea or purchasing a franchise that has already been established.

This growing interest has given birth to diverse views and literature by authors, scholars and practitioners. It is on this basis that we present a review of related literature in the basic concepts and theories that are essentially connected to the research problem and questions. Aziz (2016), posits that Franchising is a strategy of circulating products or administrations by licensing business processes, products, services and intellectual property to investors who will work inside a set up plan of action. No less than two levels of individuals are included in a franchise system: (1) the franchisor, who provides its trademark or trade name and a business framework and (2) the franchisee, who pays a progressive royalty and usually an initial fee for the privilege to work together under the franchisor's name and framework.

In the business circle today the meaning of a franchise is a contract that is granted by a national or regional chain giving a unique right to operate one of their channels within a specific area based on a payment of an initial percentage of sales; usually using the parent company equipment, supplies, merchandising and advertising (Cavaliere and Swerdlow, 1988).Franchising is an agreement between organizations where a producer of product or service grant rights to independent business men to conduct business in a specified way, designated place and at a certain period of time. It is a very specific method or way of distributing goods and services. Gates (2000) contend that franchising is not a business itself, but rather a method of doing business together. Gates in one of her presentation reaches an inference that it is basically a marketing idea and franchising as a idea is an inventive strategy of distributing good and services. The franchise council of Australia (FCA) saw franchising as a business relationship in which the franchisor assigns to the franchisee the privilege to advertise and distribute the franchisors goods and services, and to use the business name for a timeframe.

Another given definition to this mode is that Franchises are set up by established firms in concert with partners as well, namely the franchisee where the last one combines parent company resources such as brand name and operational routines with the financial capital and prior management experience of franchisees. Hisrich, Peters and Shepherd (2005) consider franchise to be a type of new entry that can decrease the danger of descending misfortune for the franchisor. They see franchising as an alternative means by which a business visionary may grow his or her business by having others pay for the utilization of the name, process, and service and so on. It can be used as a development mechanism by the organization (i.e. franchiser). Also, the International Franchise Association (IFA) defines franchising as a proceeding relationship in which the franchisor gives an authorized benefit to work together, plus assistance in organizing training, marketing and management in return for a consideration from the franchisee. Om sai Ram in (Haiying, 2005) pointed that in the previous 50 years "business format" franchising has come to be predominant in the developed economy like USA and in more than 80 countries, for the most part, franchising in the business environment is made out three components viz: the franchisor (owner of business and name in the framework); the framework (the business in which investment is made) and franchisee (the investor who purchase the right of ownership or possession).

The interaction between these elements is carried out under a contractual agreement (Preble, 1992).

In franchising arrangement the Franchisee really pays the franchisors a royalty based on franchisee sales. Franchisors often use franchising as a type of geographic market entry, where the local market knowledge, financial and human capital of the franchisee supplements the franchisor's brand name and business idea (Constance & Lieberman, 2002).

2.3.1 Types of Franchising

It is fittingly to pinpoint the diverse sorts of franchising, these include: Product franchise where a producer granted a right to sell its products to the franchisee. Name and process franchise is a situation where the franchisee is allowed the privilege or right to use the name and process of the business and we have the business format mode where the franchisee is not only granted the rights above but, involves the transfer of ways of doing business by the franchisor. Bassuk (2000) concluded that, business format franchising is what franchising is all about today and essentially why franchising is the most successful method of distributing goods and services in the business world. This is apparent in the quantity of business models among which we have manufacturer – retailer, manufacturer – wholesaler, wholesaler – Retailer and retailer – retailer. These models helps to make franchising as the fastest developing foreign market entry strategy in our in our business today.

2.3.2 History of Franchising

Barely any history specialists trusted that the word franchising originates from old French, meaning benefit of flexibility from bondage (Bassuk, 2000). Franchising has been followed back to the medieval times, when the Catholic Church conceded franchise to the assessment authorities or tax collectors. They would get a segment of the income and turned over what stayed to the Pope. This was likewise seen amid the primitive circumstances. Gates (2000) posits that, people were additionally offered franchise to support markets and fairs, and observed further that, in eighteenth century Britain, eminence and parliament granted franchise to aristocrats who consented to meet particular obligations. Risner (2001) repeated further that this idea was reached out to the lords conceding franchising for all ways of business exercises and after some time the regulations governing franchise turned into a piece of European custom-based law. The idea of franchising goes back to the medieval times, however the far reaching utilization of franchising techniques started in the United States around 1850 when Singer Sewing Machines, situated in New Britain, chose to advertise its items all through the Unified States.

At the time, the "franchising" component (products and Brand) comprised just of the privilege to utilize the brand name at the store and sell the product. Towards the finish of the century, General motors and Coca-Cola started to utilize the franchising idea to grow the business sectors to which they could offer their items for sale. All through the twentieth century, franchising extended step by step into different industries. In 1917 the first franchising grocery store, the Piggly Wiggly started a new business while Hertz started franchising vehicle rentals in 1925, the first fast-food franchise, A & W opened in the same year. The biggest extension of franchising happened in the late 1940's toward the finish of World War II when numerous veterans returned home desiring to open their own particular organizations. In the1950's, major fast-food chains like Burger king, McDonald's and Dunkin Doughnuts started to show up. By the 1960's ahead, these and other American fast food chains started their venture into universal markets.

2.3.3 **Franchising in Nigeria**

In Nigeria, franchising as a business appears to have accomplished greater respectability in the food and beverage industry/nourishment and refreshment industry than at any other time as some franchised brands noticeable lead today as far as awareness, product quality and value. The development of the fast food industry in Nigeria has been fiery with Tantalizer, Captain Cook, Sweet Sensation and Mr. Biggs are among the most perceived franchise chains featuring more up from the market local menu. Note that the Nigerian fast food is still in its infant stage, a long way from development. Ale, (2007) notes that franchise in the food sector came into the national picture after the year 2000 with the coming of Mr. Biggs [of the United African Company (UAC), Tantalizer, Chicken Republic, etc. Ale, (2007) also noted that the earliest form of franchising in Nigeria has been product showcasing, basically of oil products (Texaco, Mobil, Total, Agip, Elf, Esso, etc.) and cars (Toyota, Peugeot, Ford, etc.) and drinks (coca cola, and so on). Ale (2007), nonetheless, noticed that the business format of franchising has developed essentially, particularly in the food and beverage sector. Thanks to the sensitizing effort of the National Office for Technology Acquisition and Promotion (NOTAP) and the Nigerian International Franchise Association (NIFA). It is worthy to note that, there has been huge enthusiasm for franchising among Nigerian entrepreneurs.

2.3.4 Advantages and Disadvantages of Franchising

Adopting franchising while entering a new market could be both advantageous and disadvantageous:

Franchising advantages

By using other people money and credit, franchising allows the franchisor to establish rapidly in the market place.

The franchising usually provides the franchisor with a motivated and competent team of owner managers. Royalty fee is one of the main drivers for franchising (Cavaliere and Swerdlow, 1988). However franchising offers a unique organizational relationship between the franchisor and the franchisee in which both parties bring beneficial qualities to the business. The franchising system combines both the benefit of economy of scale presented by the franchisor together with local knowledge and the entrepreneurial skills of the franchisee (Hollensen, 2014). The success of a franchise activity relies on two key success aspects, which rest on the interdependence of the franchisor and the franchisee; the two factors are the level of integrity of the entire business system and its capacity for renewal.

Franchising Disadvantages

Potential sensitivity between franchisor and franchisee when it comes to managerial matters, in some cases franchisee could take matters to court.

The interest of the franchisor and franchisee may not always coexist which might create possibilities for legal ethical conflicts. Franchising involve several problems that are resulted by incompetent management (Cavaliere and Swerdlow, 1988).

2.4 Strategic Alliance

In an expanding number of organizations, alliances between firms are changing the nature of competition and strategies. Scot and Davis (2007) viewed alliances as agreement between or among firms to seek after joint targets through coordination of activities and sharing of assets. It might be a formal structure or a free plan of organizations usual to work together (Starkey et al; 2000). This approach is highly suitable for markets entry to shore up existing weaknesses and increase competition advantages; Alliances present a variety of benefits such as access to new markets or technology, economies of scale in manufacturing as well as marketing. Since alliances are built on acquiring new knowledge in order to be able to compete and maintain a continuous growth in the chosen new market, firms are required to understand the full concept of alliances to reach effective strategic management (Ranft and Marsh, 2008).

In contrast to franchising, alliances is one of the entry modes that could be applied while entering a another market, it is an entry form that gives companies the privilege to develop, share and use resources overtime with the joint governance. Wisnieski (2001) observed that alliances often represent one of three structures. The first alliance is a horizontal alliance between organizations that vie for similar resources, such as customers or providers and usually represent exchanges in one bearing. In this arrangement, the organizations exchange or pool their assets toward some objectives, such as research consortia or trade unions. The second is a vertical alliance, which is an alliance between a firm and those organizations providing inputs or using its outputs, such as suppliers, buyers, financial institutions, or the work pool. Vertical alliances also usually represent exchanges in one direction. The third type of alliance is reciprocal, where firms exchange both inputs and yields. This exchanges flow in both directions. In reciprocal alliances, firms trade thoughts, individuals and hardware, share lab space and pass plans back forward and backward such as in joint R&D projects. When adopting strategic alliance mode, companies face several management challenges such as:

1. The differences between partners in handling marketing and product design decisions which creates conflicts in coordination and trust issues
2. In some cases, partners that incorporate their most effective skills in one country might be poorly supplied to support one another in other markets causing difficulties on implementing alliances in a global level
3. Since technology is rapidly growing, the most appealing partners today may not be the most attractive tomorrow which creates problems to keep alliances by time (Hutt and Speh, 2010).

2.4.1 Types of Strategic Alliances

Serna (2007), discovered that while breaking down the types of strategic alliance that have been made and executed by various organizations, scholastics have a tendency to characterize them in light of various criteria. From one viewpoint, there are those scholastics that group the type of strategic alliance in light of the areas of coordinated effort. In an investigation by Coopers and Lybrand (1997), they distinguished the accompanying types of strategic alliance, and discovered their customers were occupied with them as takes after:

Joint marketing/promotion (54%);

Joint selling/distribution (42%);

Production (26%);

Design collaboration (23%);

Technology licensing (22%);

Research and development contracts (19%).

For example Technology Associates and Alliances (TAA) (1999), a strategic alliances consulting company, lists the following types of alliances:

I. Marketing and sales alliances,

II. Product and manufacturing alliances,

III. Technology and know-how alliances (Elmuti and Kathawala, 2001).

Serna (2007) likewise showed that, then again, there is a gathering of scholastics that arranges the type of strategic alliance relying upon the level of integration in the cooperation procedure. In this gathering, one finds the work of Gomes-Casseres (2003) who expressed that alliances might be organized as complex equity joint ventures or they might be looser arrangement plans for coordinating. Johnson et al. (2003) presented that there are a variety of types of strategic alliances; formalized inter-organizational relationships at one extreme and loose arrangement of cooperation characterized by informal networking between organizations with no shareholder or ownership involved on the other extreme.

2.4.2 Reasons for Entering into Strategic Alliance

The benefits of an alliance, as compared with a solitary firm, rely on the need for integration among parts of the value chain and the requirement for scale and specialization among the parts (Chesbrough and Teece, 2002; Gomes-Casseres, 1996). With this in mind firms go into alliances in light of their needs at that time or future concerns. Euro monitor International (2011) watched that Korean firms used strategic alliances to widen business territories and search for new sales drivers to battle saturation, along with saving time and costs. The motives for joining an alliance decides the choice of partners, hence, the type of alliance to enter. Button et al. (1998) suggested a number of possible reasons for alliance formation and include the following:

– cost savings

-market penetration and retention

-financial injection

-infrastructure constraints

-circumventing institutional constraints and market stability.

More exclusively, they recognized four advantages of alliances with exact reference to the aviation industry: Access to new markets by tapping into a partner's underutilized route rights or slots; Traffic feed into established gateways to increase load factors and to improve yield; Defense of current markets through seat capacity management of the shared operations; and Costs of economies of scale through resource pooling across operational areas or cost centers, such as sales and marketing, station and ground facilities and purchasing. Yuk (2013) observed that mergers and acquisitions have been the obvious route for recession-ravaged Western companies looking to capture shares in the high-growth economies of Brazil, Russia, India, and China, as well as newer economies throughout Asia, the Middle East, and Africa. The recent trend has increasingly been for Western companies to turn to joint ventures and strategic alliances for the purposes of entering hard-to penetrate emerging markets and developing non-organic growth.

2.4.3 Conditions for a Successful Alliance

There are some factors that determine the success level of strategic alliances. Issues of structure, power sharing, control and trust play an important role in the success of alliances.

Ellis (1996) advises strategic alliance managers to create an environment of trust, maintaining broad strategic vision and feel genuine empathy for others, even those who are still competitors in other areas. Moss (1994) and Rijamampiana et al, (2005) view alliance success depending on the communication, implementation of the contracted alliance and financial and strategic analysis. Therefore strategic alliance ability to produce the desired performance depends largely of the structure created, how the relationship is managed and how the cultures of parent organizations influence the integration of the firms.

2.5 Joint Ventures

The term "joint venture is not new in the business world; it is very popular in developing countries. In joint venture strategy, a foreign firm looks for local firm with which it can pull resources together to run a program in the host country. Plainly speaking, the term "venture" means an undertaking involving chance, risk or danger; and the term "joint venture" means a "joint undertaking". Parties to international business transactions tend to use the term "joint venture" to describe various kinds of their joint efforts to achieve a common aim, and as a result, the term then appears as synonymous with other kinds of collaborative agreement. It is a form of partnership, in which a foreign firm enters into business with one or more domestic firms to achieve specific objectives. As opposed to franchising, joint ventures is an arrangement between legally and economically two independent entities formed by two or several parent companies that jointly invest capital and a variety of resources in the aim to reach specific strategic goals. It is differentiated from other types of strategic alliance or collaborative relationship in that a joint venture is a partnership of two or more participating companies that joined forces to create a separate legal entity (Carteora and Graham 2005).

Also, the United Nations Industrial Development Organization (UNIDO) (2006), define joint venture as a long-term participation of two or more companies in an enterprise in which each party contributes with assets, has equity participation and shares risk. In some instances, parties do not even provide a time limit for the duration of their contract. Sometimes, the assumption under which joint ventures are established is that the parties will jointly run an undertaking for as long as the venture is viable. There are four factors associated with joint ventures. These are: (1) joint ventures are established separate, legal entities; (2) they acknowledged intent by the partners to share in the management of the joint venture; (3) they are partnerships between legally incorporated entities such as companies, chartered organizations or governments and not between individuals; and (4) equity positions are held by each of the partners (Carteora and Graham 2005).

This entry mode serves the process of a long-term collective strategy, it allows the sponsoring partners to get involved and contribute across national and cultural boundaries (Yan, 1998). There are different reasons for the establishment of a joint venture by international companies in developing countries, such as: the interest of foreign investors to minimize capital outlays or risk of entry by using the local partners' assets, lack of knowledge of the local institutional and legal environment, access to local borrowing, the goodwill associated with the perception that the joint venture is a local company.

In specific or strategic sectors, the country's laws may not allow full ownership of operations by foreign nationals. For instance, in Nigeria, the domestic firms control about 51% equity or at least 40% equity depending on the line of business. In addition to the above reasons, for the local partners there is the willingness to take advantage of the association with the foreign partners in order to obtain access to the technology, international brands, product development and managerial techniques, nationalistic feelings and severe competitive pressure (Albaum and Duerr, 2011). The problem of joint venture is that of control and tendency to loose of investment. Control is shared between the host firms and the foreign firm and there is the possibility of losing out especially where the alliance is with government or aggressive domestic partner owing to political, legal and economic trends in the host country. Forming a joint venture contract can vary depending on the aim of the joint venture and combined implementation; which results on two forms of joint ventures. One could be applied when creating a firm, the other when cooperating without creating a company. The previous forms could be applicable in several situations:

2.5.1 Contractual joint venture contract: This is a form that regulates collaboration between partners; however, in this case there will be no creation of any legal entity instead a collective group would be formed. These forms of model agreements are applicable for commercial and industrial activities in which joint ventures are highly practiced.

2.5.2 Incorporated joint venture contract: This model is used to create one or several joint venture firms that are legal entities approved to perform a common activity. Under this contract form, it is allowed to create a company in a distinct foreign country. Nevertheless, in addition to the joint venture agreement the collaboration of partners needs further legal requirements. Below are the key benefits of forming a joint venture as suggested by Rashida, Gibson . and Crutcher, (2014).

Sharing Assets: Creating a joint venture allows the participants to share their collective tangible and intangible assets in pursuit of a common goal. For example, two or more parties may collectively own the intellectual property (IP) required to develop a new product or technology, but none of the parties individually has all of the necessary IP rights to pursue the project. In another example, one party may supply the cash funding, while another party supplies real property or property rights, equipment, supplies, and/or access to other assets.

Sharing Critical Expertise and Experience. By forming a joint venture, the parties can share management experience and expertise, industry knowledge, technological capabilities and any other expertise or experience necessary to the business. For instance, one party may have the knowledge and experience to develop a product and may then look for joint venture partners to contribute the funding, or one of the joint venture parties may have more experience in a particular industry than the others.

Sharing Costs. Another key benefit of entering into a joint venture is sharing costs. Joint ventures often allow their participants to undertake a venture that neither could afford independently. Research and development, labor and management, distribution, supply and administrative costs as a percentage of revenues may be significantly reduced for each party relative to what they would have been had each party tried to pursue the venture on its own.

In addition, economies of scale may also be reached in which per-unit costs may be reduced due to efficiencies reached at larger joint production levels.

Diversification. Another key reason that parties go into joint ventures is to diversify or enhance their own particular organizations. As specified above, a joint venture may enable members to access markets or organizations that they couldn't enter excussively. Diversification lessens a member's business risk across its product or service lines, and may likewise expand the member's access to resources (such as superior talent) and more capital if the profits and/or assets of the joint venture grow significantly. Diversification likewise can possibly enhance income and benefit of the co-venturers, either specifically through the venture or by implication by means of enhancements to their own products, services or operations

Favorable Tax Treatment. Unincorporated joint ventures, for example general partnerships, can provide ideal tax treatment for their parties. They enable profits to move through to coventurers' financial statements without the twofold taxation that would happen, first, on a corporation's profits and, then, on the dividends paid to its shareholders. They likewise enable losses to flow through to co-venturers that can be utilized to balance income from the co-venturer's other operations. Limited liability companies can also be treated as partnerships for tax purposes and can provide the same flow through income, loss and tax benefits of general partnerships even though they are otherwise treated as separate, stand-alone entities for purposes of limiting the liability of co-venturers for the acts of the joint venture.

2.6 Exporting

The most straightforward approach to enter a foreign market is through exporting. Exporting accounts for 10% of global economic activities (Cateora, Graham and Salwan, 2008). With export entry modes company's products are manufactured in the domestic market or a third country and afterward exchange either directly or indirectly to the host market. Early thought for exporting regularly are to skim the cream from the market or gain business to assimilate overhead. Early involvement may be opportunistic and comes in the form of an inquiry from a foreign customer or initiatives from an importer in the foreign market (Cateora et al; 2008). Exporting is also a common approach for matured international companies. Some of America's largest companies engaged in exporting as their major market –entry method. (Boeing is the best example, as America's largest export).

Exporting is subsequently utilized as a part of beginning entry and progressively developed towards foreign based operations. Exporting can be organized in assortment of ways, contingent upon the number and type of middle people. As on account of wholesaling, export and import agents vary extensively in the scope of functions performed. A few, for example, such as export management companies, are what might well be called full-service wholesalers and performed all functions relating to export. Others are highly specialized and handle just cargo sending/forwarding, billing or clearing goods through customs. In setting up export channels a firm needs to choose which functions will be the obligations of external agents and which will be handle by the firm itself. While export channels may take various structures and forms, but with the end goal of this study and for effortlessness, the three major types of export as identified by (Hollensen, 2011) will be examined. These include:

Direct Export: this is the most widely recognized approach utilized by companies taking their first entry mode because the risks of financial loss can be limited. Direct export is the point at which the manufacturing takes care of exporting activities and it's in direct contact with the first intermediary in the foreign target market. The firm is regularly required in taking care of documentation, physical conveyance and pricing policies, with the product being sold to agent or distributors.

Indirect Export: in contrast, indirect exporting implies that the company sells to a purchaser (importer or distributors) in the home country who thusly exports the product. The firm is not involved in the sales of its products in the foreign market(s). This method is mostly adopted by firms with insignificant resources to devote to worldwide expansion which want to enter international market bit by bit, trying out markets before committing major resources and effort to developing an export organization. It is vital for a firm to recognize, be that as it may, that the use of agents or export management companies carries a number of risks. In any case the firm has next to zero control over the way the product or service is marketed in other countries. Products may be sold through improper channels, with poor servicing or sales support and inadequate promotion, or be under and overpriced. This can damage the reputation or image of the product or service in the foreign markets (Hollensen, 2014).

Particularly significant for the firm interested in gradually edging into international markets is that, with indirect exporting, the firm establishes little or no contact with markets abroad. Also, the firm has limited knowledge about foreign market potentials and obtains little input to develop a plan for international expansion. The firm will have no means to identify potential sales agents or distributors for its products.

While exporting has the advantage of the least cost and risk of any entry method it however, allows the firm little control over how, when, where and by whom the products are sold. In some cases the domestic company may even be unaware that its products are being exported. There are five main entry modes of indirect exporting. These are; export buying agent, broker, export management company/export house, trading company and piggyback

Cooperative Export: this included collaborative concurrences with different firms (exporting market group) concerning the execution of export functions.

2.7 The Nigerian food and Beverage Sector

The food and beverage industries are classes of the Fast Moving Consumer Goods (FMCG) sectors. The FMCG sector is likewise called the Consumer Package Goods (CPG) sector is one of the biggest business around the world. FMCGs are for the most part modest products that have a short time span of usability and are acquired by buyers all the time. The food and beverage industry segment is one of the best performing sector of Nigeria’s manufacturing industry. Operating capacity is generally at a higher level than within the manufacturing sector as a whole. There is solid rivalry in this sector and organizations in the parts have demonstrated great returns in the stock exchange. The Nigerian food and beverage activities comprise 22.5% of the steadily growing manufacturing sector (John, 2012). In a circumstance where 63.5% of the normal Nigerians wage is spent on nourishment and other non alcoholic beverages and the rate of well off individuals inside a populace of more than 150 million is developing , the conditions are perfect for interest in the food and beverage industry. The food and beverage sector creates around 1.5 million employments which is 5% of Nigeria's workforce, Prince (2014).

2.7.1 Profile of the Selected Organization

1. Nigeria Bottling Company (NBC)

It is the second largest in the African continent commanding average annual sales of 1.8 million bottles up to 1.0 million cases in 1960 with 5 subsidiaries and 4 related companies, NBC manufactures and sells more than 33 brands: Coca-Cola, Sprite, Schweppes, Soda water, Crest, Eva water, Cappy juice, 5 Alive etc. Nigeria bottling company, the biggest of non-mix drink in Nigeria has its operation dated November 1951 when it was joined as a subsidiary/backup of A.G. Leventis Group and given the authority to bottle and sell Coca-Cola items in Nigeria. In 1972, it became a public with its shares recorded on the floor of the Exchange. NBC commenced as privately run company and has metamorphosis into a soft drinks company. It is a subsidiary of the Coca-Cola Hellenic Bottling Company (CCHBC), the emerging company in the merger of Hellenic Bottling Beverage Company Plc in 2000.

NBC is capitalized to the tune of #62.33bn (US$556.50) with outstanding shares of 1.3bn and accounts for about 8.72 percent of industry market capitalization.

Examination of shareholdings uncovers that CCHBC has a controlling value stake of 55.81 percent through Molio Soft Drinks S.A. Luxembourg and 10.62 percent through CCBC service limited Ireland while the of the holdings directors and other shareholder. From a solitary manually operated bottling facility with a production limit of a couple dozen cases per each day within the basement of Mainland hotel in Oyingbo, Lagos in 1953, NBC presently operates 13 bottling plants with more than 80 dispersion distribution centesr, 250,000 sales outlets and a 6,000 employees/representative across the country over.

2. Nigeria Brewery

Nigerian Breweries Plc (NBPLC) is the country's pioneer brewery. Incorporated in 1946, it started production in 1949. It begun as a joint venture between the United African Company (WAC) International, UK and Heineken of Holland. Along these lines, at commencement, it was 100 per cent foreign possessed. By the early 1950s, when it started working completely, some indigenous traders already involved with its products were welcome to become shareholders. Under the indigenization arrangement of the mid 1970s the foreign shareholders were compelled to offer a significant extent of their holdings. Today, the organization is 60 per cent Nigerian claimed and 40 per cent foreign possessed. The 60 per cent Nigerian stake is held by organization workers and individual from the general population, while the 40 per cent foreign ownership is split almost equally between CWA Holdings Limited (for Unilever) and Heineken Brouwerijen BV. Its first bottle of beer, STAR Lager, rolled off the bottling lines of its Lagos distillery in June 1949. Other breweries were thusly commissioned by the organization, incorporating Aba Brewery in 1957, Kaduna Brewery in 1963, and Ibadan Brewery in 1982. In September 1993, the company procured its fifth brewery in Enugu state, and in October 2003, its sixth brewery, sited at Ama in Enugu. Ama Brewery is the bigest brewery in Nigeria and standout among the most present day around the world. Operations at Enugu brewery were ended in 2004, leaving the company with five operational breweries. The company has an arrangement of great brands, including Star Lager Beer (launched in 1949); Gulder Lager Beer (1970); Maltina (1976), which now has three assortments, to be specific Maltina Classic, Maltina Strawberry, and Maltina with Pineapple; Maltina Sip-it (2005), which was packaged in Tetrapaks; Legend Extra Stout (1992); and Amstel Malta (1994). The company likewise re-launched Heineken Lager into the Nigerian market in June 1998.

Nigerian Breweries is the most capitalized quoted company on the Nigerian Stock Exchange (NSE), it is likewise the primary company in any sector to announce N12 billion in PBT and the principal company in Nigerian history to proclaim profit of N8 billion (Vanguard, 2003). Nigerian Breweries operates many related companies, including drink-related manufacturing companies making corks, labels, bottles, packing crates; and a logistics network, including transport companies, warehousing companies and retail sales management.

3. **Guinness Nigeria Plc**.

The multinational brewing company under study is Guinness Nigeria Plc. Guinness Stout is sold in over 140 countries of the World. Its popularity is based on its natural goodness and its unique flavor (Guinness Nigeria Plc., 2012). In 1759, Mr. Arthur Guinness established his brewery on a four-acre site near the western entrance to the city of Dublin, Ireland, called St.

James's gate. Although the gate has disappeared, the brewery now covers 66 acres and is one of the largest in the world (Guinness Nigeria Plc., 2012).

In 1936, the demand for Guinness made it necessary to build a second brewery at Park Royal near London. The third Guinness Brewery was opened in Nigeria at Ikeja in 1963. Unlike the breweries at Dublin and lixPark Royal, Guinness in Nigeria is bottled at the brewery and the Ikeja brewery has the largest bottling hall of any Guinness brewery in the world. The worldwide popularity of Guinness has led to the establishment of breweries in Malaysia, Cameroon, Ghana and Jamaica. Guinness is brewed under Guinness supervision in Kenya, Sierra Leone, Australia, Trinidad, Canada, Mauritius, New Zealand, Seychelles, Liberia, Thailand, and Indonesia a Venezuela (Guinness Nigeria Plc., 2012).

In 1959, Guinness produced her first larger beer, called Harp in Ireland and shortly afterwards expanded this market and Harp was brewed in the Guinness Nigeria Limited brewery in Benin. Harp later failed due to a problem of quality, which could not be solved using the conventional brewing methods and so it had to be dropped. It was replaced by Satzenbrau which still trailed behind such popular larger bear brands like Star and Guilder brewed by the market leader in the brewing industry in Nigeria namely Nigeria Breweries Plc. (Guinness Nigeria Plc., 2012).

4. De United Foods Industry Limited (DUFIL)

De United Foods Industries Limited, Noodle Division, began its operation in year 1996 at Ota, Ogun State, is the first instant noodles manufacturing plant in Nigeria and the biggest around then. The company begun with staff quality of around 500 but today it has more than 1500 staff members working successfully and proficiently towards one shared objective; to satisfy its client by ceaselessly offering a variety of nutritious, sound and quality products.

DUFIL PRIMA FOODS PLC was incorporated/fused in 2001 as a private limited liability company at Choba, Port Harcourt, and Rivers State.

5. The Seven-Up Bottling Company Plc

The Seven-Up bottling company Plc is one of the biggest free manufacturing and distributor of the outstanding and broadly devoured brands of soft drinks in Nigeria. Their brands are Pepsi, 7UP, Mirinda, Teem and Mountain Dew. By and by, the organization has 9 manufacturing plants. The company markets their products through more than 200 distribution centers that are also call depots and these depots are spread over the niches and corners of Nigeria. It right now has a workforce of 3500 employees.

6. Honeywell Flour Mills Plc (HFMP)

Honeywell Flour Mills Plc (HFMP) is a noteworthy flour processing company in Nigeria and was first enrolled as Gateway Honeywell Flour Mills Limited in 1985. However, in June 1995, an adjustment in the company's proprietorship structure prompted a change of name to Honeywell Flour Mills Limited (HFML). The entry of the company into the flour milling/processing industry in Nigeria reclassified industry standards as its high quality constrained an improvement in the quality of flour products by other players. Throughout the years HFMP has situated itself as a market leader in milling, processing & packaging of flour and other wheat based products. After its first sales of stock (initial public offering) in 2008, the company turned into a public liability company and was listed on the Nigerian Stock Exchange (NSE) in 2009. Honeywell Flour Mills PLC produces and markets seven noteworthy product brands: Honeywell Superfine Flour, Honeywell Wheat Meal, Honeywell Semolina, Honeywell Noodles, Honeywell Pasta, Honeywell Composite flour, Honeywell Brown Flour. HFMP has its offices in Tin Can Island Port Industrial Estate, Apapa and Mobolaji Johnson Avenue Alausa, Ikeja.

7. International Breweries Plc.

International Breweries Plc started production in December 1978 with an installed capacity of 200 000 hectoliters per annum, this expanded to 500 000 hl/a in December 1982. On 26 April 1994 International Breweries Plc turned a public limited liability company and recorded on the Nigerian Stock Exchange. International Breweries Plc has a specialized Services Agreement with Brauhaase International Management GMBH, a backup of Warsteiner Group of Germany, which owned 72.03% equity.

8. Classic Beverage Nigeria Limited

Classic Beverage Nigeria Limited produces and markets beverages including bottled water and apple and soft drinks. It distributes its products under Lacasera and Virgin Colors brand names. The company was established in 2001 and is based in Lagos Nigeria. Classic beverage operates as a subsidiary of Prima Group.

9. Promasidor Nigeria Limited

Promasidor is an African beverage and food products power house that caters to 850 million people and it was founded by Robert Rose in 1979 and first started its operation Nigeria in 1993. The company was the first in Africa to distribute milk powder in small sachets that is affordable to everyone. Promasidor started selling the cowbell brand in Nigeria in 1993. Today cowbell milk is sold in the majority of countries across the Africa continent with

Nigeria as its greatest market

10. Nestle Nigeria Plc. is a Nigeria based food manufacturing and marketing company. The company operates through two segments: Food and Beverage. The company manufacture and markets a range of brands, which include: Infant Formula-Nestle NAN, Nestle LACTOGEN, Infant Cereals-Nestle NUTREND, Nestle CERELAC, Family cereals-Nestle GOLDEN MORN, Confectionery-Nestle CHOCOMILO, Nestle KITKAT, Bouillon-MAGGI Cube, MAGGI Mix'py and Table Water-Nestle PURE LIFE. It promotes food cultures MAGGI Star Cooking participatory cookery program in neighborhoods and MAGGI Women Forum, a home management program targeted at semi urban and rural women.

2.8 Conceptual Framework

The objective of a conceptual framework is to portray ideas applicable to the study and map relationship among them (McGaghie, Bordage and Shea, 2001). On this premise, the researcher's review of literature and theories are synthesized to make a conceptual model of the study as appeared in the figure beneath.

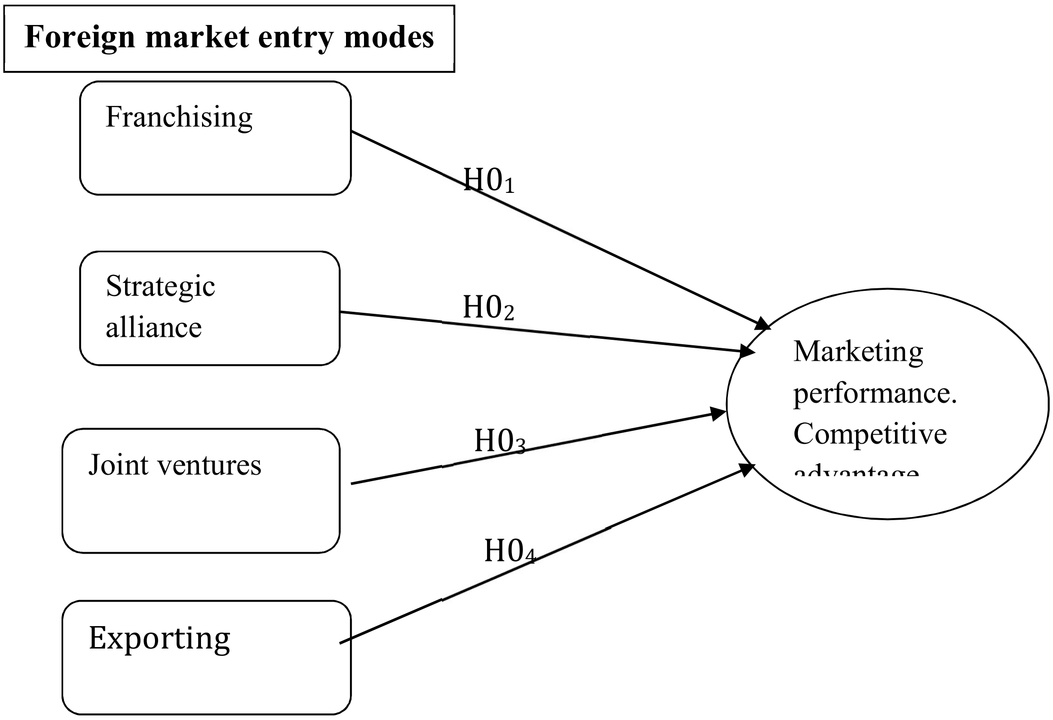

Figure 4—Conceptual framework of major variables and their hypothesized relationships.

Source: The researcher schema, 2017.

From previous studies, the researcher identified four components of foreign market entry strategy (i.e. franchising, strategic alliance, joint venture and exporting) that seem to have effect on customer loyalty. The researcher further hypothesize that there seems to be no link among the variables, which hypotheses testing will confirm or disprove. Therefore, the figure above will provide guidance towards answering of research questions and the realization of study objectives based on the problem statement.

2.8.1 Marketing performance and competitive Advantage

As of late, the idea of competitive advantage has been a hot issue in the field of competitive strategies and much discussion has been brought up in connection to competitive advantage. Nevertheless, giving an exact meaning of competitive advantage is a difficult task. Then again, competitive advantage has been characterized as a lot of profits. In any case, the most widely recognized meaning of competitive advantage in the field of competitive strategy and with regards to esteem/value creation is whatever achieves an expansion in income over costs (Powel, 2003).

Majeed (2011), characterizes competitive advantage as the retention of income higher than normal. According to Hana (2003), a firm has the competitive advantage if it gains a higher economic profit than the normal rate of profit in a similar market. Saloner Garth et al.(2001), pointed out that ,competitive mainly means that the firm can produce goods or services that the consumer perceived more valuable than goods produced by other competitors. Furthermore, Porter (1980), deals with competitive advantage with regards competitive strategy. He sees competitive strategy as the determination of a firm's position in a competitive environment. The reason for competitive strategy is to pick up knowledge about the market through understanding and predicting the economic factors, especially other competitor's behavior. Competitive advantage causes a firm to produce a product that is not producible by the contenders. Therefore, the competitive strategy is a strategy for making an imperfectly competitive market (Barney, 2008). Kay ,(2011), defines the potential competitive advantage of a firm's distinctive capability resulting from behaviors that other firms are lacking but these capabilities are stable and fixed. To achieve the competitive advantage, an organization most likewise focus on its external position (Porter, 2004) and also its internal capabilities (Barney, 2008). The organization most consider its inward capabilities and its competitive position in the market not as separate elements but rather consider them as interactive elements as sources of gaining the competitive advantage and marketing strategy.

From an examination of competitive advantage literature a working definition is synthesis for adoption in this study. Competitive advantage is defined as the predominance gained by an organization by given more or greater perceived value to customers, either through lower prices or through additional benefits and services that justify similar or possibly higher prices.

2.8.2 Franchising and marketing performance

Franchising can improve marketing performance when applied as an organizational strategy. Franchising one's business procedures can enhance one's competitive advantage. The explanation for this is that franchising reduces business costs. Organization may choose to franchise with certain business aims in mind. The aim might be the need to improve on financial performance. Most time, such organizations know that franchising firms may offer them the chance to work inexpensively through effective innovation and economies of scale. By minimizing costs, organizations can achieve their economic related goals and this enhances their marketing performance. Consequently, the extra amount that would have been passed to the consumers as higher costs for the goods now becomes irrelevant as consumers pay less for their products. This enables business to contend positively in the light of price and along these lines, giving them a competitive advantage.

Franchising is good for business because it improve organization competitiveness (Lever, 1997; Sharpe, 1997; Steensma and Corley, 2000), increase profitability and efficiency (Sinderman, 1995; Casale, 1996), improve financial performance (Crane ,1999), lower innovation cost and risks (Quinn, 2000). Nevertheless , franchising does generate some problems , as it sometimes usually reduces an organization's control over how certain services are delivered, which thus, may raise the organization's liability exposure.

2.8.3 Strategic Alliance and Marketing Performance

At present, the American Marketing Association defines marketing as the activity, set of institutions, and processes for creating, communicating, delivering, and exchanging offerings that have an incentive for clients, customers, partners, and society at large. The value based approach puts the customer at the focal point of all marketing considerations.

Enhancing the international exchange effort truly implies improving the value that the customer sees in the product advertised. Companies go into alliances to upgrade their marketing performance in the face of their customers and to build competitive advantage in the market environment. There is evidence suggesting organizations forming alliances will experience enhanced marketing performance Nielsen (2007), Lee (2007) and Gorzen (2007). A wide stream of research guarantees that cooperation is a fascinating organizational model, paying little mind to the states of the Industry and the environment. Perry et al. (2004) found a positive critical connection between participation in strategic alliances and marketing performance. Tebrani (2003) presumes that utilizing strategic alliances enhances performance paying little mind to the type of competitive strategy used, the country of origin, or the industry in which the alliances are established. The conviction encompassing this line of thought was so common for so long that observational investigation of the connection between strategic alliances and performance got little consideration (Stuart, 2000).

Camison et al. (2011) led an examination on the impact of participation in technological strategic alliances on marketing performance by considering the information-based distinctive competencies as an intervening variable using a sample of Spanish firms. Results from their discoveries demonstrate that the connection amongst innovative work (Research and development), advancement key alliances, and performance is interceded by the era of information based distinctive capabilities; and that the commitment of the participation in alliances to the development of the firm's learning stock relies upon its innovation or advancement skills. This implies that R&D managers should enhance the development of this kind of competencies in order to achieve superior performance. Technological strategic alliances as a variable gathers the aggregate number of strategic alliances that a firm has created in research and development, advancement and staff training in new advances over some stretch of time. This variable is operationalized by summing the different agreements the firm has developed.

Since the impact of alliances on firm performance should be assessed after they have ended, (Camison*et al.*, 2011) only measured the alliances that had been completed at the time of the survey. Jabar *et al*. (2011) examined the Malaysian manufacturing relationship between organizations' resource availability and absorptive capacity as well as type of alliances with organizational performance. The result indicated that collaborations and partnerships is factor of consideration to enhance capabilities and performance. This means that firms planning to improve their marketing performance need to consider alliances with other firms especially those in manufacturing sector. More companies today are partnering with other members of the supply chain as alliances to improve the performance of the customer value-delivery network. Christopher et al. (2002) gives the example of Toyota Company which he says knows the importance of building close relationships with it suppliers. In fact, it even includes the phrase "achieve supplier satisfaction" in its mission statement. Suppliers' satisfaction means that they can rely on suppliers to help it to improve its own quality, reduce cost, and develop new products quickly.

Another form of Partnership and strategic alliances are the "suppliers" and "alliance" markets they both need to be viewed as a partnership –they can make to the establishment of a successful relationship marketing strategy. In the mid-1980s, the Austin Rover car manufacturing company had well over 1000 suppliers with whom it had arm's-length, often adversarial, relationships. Ten years later a transformed company now called the Rover group, had fewer than 500 preferred suppliers with whom it had the closest possible relationships (Peck et al. 2000). Ibrahim (2011) identified a successful Strategic alliance in Starbucks and Kraft where Starbucks coffee was to be distributed through Kraft only. In the end both companies benefited. Starbucks gained quick entry into 25,000 supermarkets in the USA, supported by the marketing muscle of 3,500 Kraft salespeople and Kraft topped off its coffee line with the best-known premium brand and gained quick entry into the fast-growing premium coffee segment. This alliance clearly leads to market penetration, brand recognition and profitability for both partners hence the development of competitive advantage. This success story appears to prove the knowledge and RBV theories working for both parties.

Hewlett-Packard (HP) and Disney have a long-standing alliance, dating back to 1938, when Disney purchased eight oscillators to use in the sound design of Fantasia from HP founders Bill Hewlett and Dave Packard. When Disney wanted to develop a virtual attraction called Mission: SPACE, Disney Imaginers (people who devise and implements new concepts) and HP engineers relied on HP's IT architecture, servers and workstations to create Disney's most technologically advanced attraction (Czaja, 2013). This partnership has helped Disney gain the technology it n required from HP hence enhancing its *competitive advantage*.

Dockers and American Pacific Enterprises (APE) on the other hand had an alliance where APE was to sell towels and bed accessories with Dockers name on it. The benefits to Dockers were very little save for their branded towels, but APE needed a strong brand image. This unbalanced alliance led to a big disaster for Dockers eventually as their brand image was severely damaged due to this awkward partnering with unrelated products. These imbalances led to the strategic alliance, ultimately collapsing (Ibrahim, 2011). From the forgoing, the alliance between Dockers and APE led to a competitive disadvantage for Dockers' position rather than competitive advantage which they sought. Arndt (2009) observed that Cisco had had two failed alliances with Motorola and Ericsson. The partners had turned into competitors because of acquisitions. Acquisitions had turned allies into adversaries. With insider knowledge of each other they sought to use the information they had against each other. This was detrimental to the alliance but appears consistent with the external control of organizations theory. The theory sees organizations seeking to control their rivals.

2.8.4 Joint ventures and Marketing Performance

Inter firm collaborations are an important source of resources and marketing performance. Since the worldwide economy is becoming, integrated over nations and the fast moves in the globalization of markets, joint venture (inter firm collaboration) have progressively considered alliances as an alluring vehicles through which they can develop and expand their scope.

2.8.5 Export and Marketing Performance

Thanks to accelerated globalization trends and expanding market integration, exporting has turned out to be one of the quickest growing areas of world economic activities. Exporting is the first phase in firm's internalization process and as such it requires fewer resources, involving less risk and greater flexibility when compared with other more advanced foreign market entry strategies (Leonidou , 2014). As markets and competitions become globalised, foreign markets have become increasingly viable for growth oriented firms and these firms engaged in export activities to enhance their marketing performance. Past studies have attempted to identify the effect of exporting activities on marketing performance. Hence, Porter, 1980, 1985, posits that Exporting companies plan their marketing strategy in order to build sustainable competitive advantages. These advantages are communicating to the customers through a low price (low cost) or a non –price differentiation implemented using specific marketing mix programs for various segments and nations. In addition, exporting companies following "pure differentiation strategies" have been found to outflank those with "cost leadership strategy", particularly in the case of exporters in developed country markets (Aulakh, Kotable, and Teegen 2000). Botavia and Kolachi (2012), states that exporting firms that adapt marketing blend components get competitive advantage and have better returns.

2.9 Legal Structure for Business Operations in Nigeria

It is important to understand the legal system and types of business entity present in a country before investing as this gives a frontier understanding of what to avoid, how to avoid and what is most needed in order to have an effective and efficient operation. Therefore, basic understanding on issues regarding to laws used in Nigeria, business entity forms available for the establishment of business.

The Nigerian legal system is, derived from English law; it is applicable in Nigeria by credits of its colonization by the British. The laws consist of common law, doctrines of equity, statue of general application in force in England since January 1st, 1990 and English law made before 1st October, 1960 and elongating to Nigeria. The law in Nigeria has developed via legislation passed by the Nigeria legislature, application of customs and traditions in customary law as well as judicial antecedent.

The Companies and Allied Matters act cap C20, laws of the federation of Nigeria 2004 ("CAMA") is the paramount legislation that coordinates the affairs of Nigerian companies. CAMA provides in section 54 that in order to do business in Nigeria, a foreign investor must incorporate a separate entity in Nigeria, and until the entity is so incorporated. It shall not have a place of business or an address for service of documents or processes in Nigeria for any grounds other the receipt of notices and other documents as a matter preparatory to incorporation under CAMA". (Udo and Bello 2013).

2.9.1 Registration of the Business

After the business structure is allowed and recognized by CAMA in Nigeria, the next process is the registration of the business. The process starts with choosing names for the proposed company and conducting an availability search at the Corporate Affairs Commission (CAC- Nigeria company registry) to confirm it the particular name is available and reserving it if is available. Secondly, a memorandum and articles of association (M/A) for the company must be prepared.

The law stipulates that every company must have at least two shareholders and two directors. It is allowed for one shareholder to hold the bulk of the shares in the company with the second shareholder holding only one share. The M/A will be submitted to the CAC together with the following document:

A statement of the authorized share capital of the company and return of allotment of shares form CAC 2.

Evidence that the stamp duty payable in respect of this shares capital has been paid. Stamp duty payable is 0.75% of the authorized share capital of the company (a company limited by guarantee only pays a nominal stamp duty- ((NGN) 500

A statement of the particulars of the initial directors of the company, of which there must be at-least two form CAC 7.

A notice of address of the registered office of the company Form CAC 3.

A declaration, sworn to by a lawyer, confirming that all matters before the registration of the representative office have been compiled with Form CAC 4

Thirdly, filing fees (1% of the share capital, and 2% in the case of public companies), must be paid to the Registrar General of companies. Finally, if the application is approved, a certificate of incorporation will be issued. (Udo and Bello 2013).

2.10 Factors Affecting the Entry Mode Decisions

There are a variety of factors affecting a company entry mode decision for a chosen product or target country, the firm's need to forecast the strengths and directions of these factors makes the entry mode decision a complex procedure with a variety of trade-offs among alternative entry modes (Hollensen, 2014).

2.10.1 External Factors

When a company decides to expand internationally, they face several factors that will affect their entry mode decision. The external forces a firm would experience throughout the decision procedure are: Socio-cultural distance, country risk, Market size, direct and indirect trade barriers, intensity of competition.

2.10.2 Socio-cultural Distance

A socio-cultural distance illustrates the differences between a company's home country and its host country; these socio-cultural differences can develop internal uncertainty for the firm which can affect the entry mode choice of the company. These distance could be in term of cultural differences, economic systems and business arrangements, the greater the distance in the mentioned areas the more likely it is that the company will hesitate to get involved in direct investments in a form of joint venture or even a low risk entry mode option such as agents or importers. In cases when the socio-cultural distance is high; companies will prefer entry modes with high flexibility level and low resource engagement. However some socio cultural differences seem to be more powerful than other in affecting a company's entry mode decision; facing a language barrier is not as capable to affect firm's decisions like religion, degree of democracy and industrial developments (Hollensen, 2014).

2.10.3 Market Size & Growth

The country size and market growth are two significant measures that could affect the entry mode choice. The larger is the country size the more likely management will carry out resources to its development; in such conditions companies would consider establishing a wholly owned subsidiary or take part in a majority owned venture to ensure maintaining control over operations to provide management with direct contact in order to be able to steer market improvement effectively (Hollensen, 2014). On the other hand, small markets that cannot be serviced easily by the neighboring countries due to geographical barriers may not get any attention or resource; therefore it will be much effective to supply them through exporting or licensing arrangements.

Market growth is also a very significant key on entry mode selection, if a market is growing rapidly but not in a sustainable rate; firms will have an advantage to react without any delay and apply indirect or direct exporting. While if the demand in a foreign market is perceived to be very high but only in several years; establishing owned subsidiary may be the best approach (Koch, 2002).

2.10.4 Country Risk

According to Hollensen (2014), foreign markets are usually anticipated to be uncertain than the domestic markets. The level of risk a firm faces in the foreign market doesn't only rely on the market environment itself but also the firm's involvement method; therefore during the procedure of choosing the suitable entry mode, the company should apply a risk analysis of both the market situation and the method of entry. In cases where the country risks are high, companies would restrain their resource commitments in the specific national domain and adopt entry modes with low resource obligations to limit their exposure to the country risks.

2.10.5 Trade Barriers

Hollensen (2014), explains that tariffs or quotas on the import of foreign products and components prefer establishment of local production or assembly activities. A government may reinforce a tariff system for the purpose of keeping products out of the country (protective tariff), or to produce tax revenue (revenue tariff); quotas are as well provisions to limit the amount of foreign products that can be imported, in some other countries they can be reinforced on exports as a part of national planning (Albaum and Duerr, 2011). Trade regulations and local suppliers preferences also have an impact on entry mode choice, in a country with a high preference to local suppliers or national products often drive the firms to consider joint venture arrangement or other type of contractual commitment with a local company which help foreign firms to create local contacts, establish distribution channels and diminish the foreign image (Hollensen, 2014).

2.10.6 Competition Intensity

When a company is entering a foreign market, they should never underestimate local competitors. Competition grows during the firms search for niches in the economic world while trying to make the most of their uniqueness. Therefore, companies strive to establish a differential advantage that can put the firm ahead of their competitors and that what makes competition a dynamic world (Albaum and Duerr, 2011). With an intensive competition level in the host country, firms will try hard to avoid internationalization since such markets are more likely to be less profitable for that reason it doesn’t confirm excessive resource engagement. However, the higher competition intensity in the host country the more companies will adopt entry modes with the lower resource commitment (Export modes) (Hollensen, 2014).

2.11 Internal Factors

There are three main internal factors that would affect a company's entry mode decision: the firm's international experience, Firm size and product/service characteristics.

2.11.1 International Experience

Hollensen (2014) explains that the international experience of a company has a significant influence on the mode choice; the experience of a firm will be introduced through its managers' ability to cope and handle international issues. It is also the extent in which a firm has been active in doing business in an international scale, which can be through operating in a specific host country or involvement in the international environment. This experience can decrease the costs and uncertainty of supplying a market as well as boost the chances of companies engaging resources to international markets which encourage the selection of wholly owned subsidiaries. Furthermore, uncertainty in international markets can be decreased by substantial operations in foreign markets instead of acquisition of objective knowledge which indicate that direct experience with foreign markets is more likely to expand the resource commitment in these markets.

2.11.2 Firm Size

The size of the firm signifies their resources availability, increasing resources availability contributes to the basis of increasing international commitment over time. When it comes to small and medium enterprises, they might prefer a high stage of control over international transactions and aspire to produce heavy resource commitment to foreign markets. They are more likely to penetrate foreign markets using export modes since they don't have enough resources needed to reach a high level of control. As export entry modes have a low resource commitment, it might be more applicable for small and medium enterprises and as the firms develop it will to a great extent use a hierarchical form (Hollensen, 2014).

2.11.3 Product and Service

The nature of the product/service influence the entry mode selection, products can vary in their characteristics in different ways such as unit value, weight and bulk and technical complexity; these factors can determine where the company should locate its production. For instance, the technical nature of a product might require maintenance both before and after sales; also the weight and size of a product may require the use of special handling facilities that marketing organizations might not possess (Albaum and Duerr, 2011). A product variation in characteristics (brand name, advertising, warranties and replacement policies) increase the preferences for one product over another which can grant the company a possibility to intake the higher costs for being in a foreign market. A product differentiation advantage also gives companies some credits to higher prices in order to exceed costs by more than usual profit rate; since product differentiation advantage is introduced as a "natural monopoly", firms try to protect their competition strength through applying hierarchal modes of entry (Hollensen, 2014).

2.11.4 Culture

Culture is a collective phenomenon as it is slightly shared with individuals who live or lived inside the same social surroundings and learned the same cultural concepts; culture is formed of unwritten rules of the social game. It is a corporate programming of the individual mind that separate members of a category of people from others; it is learned not inherited since it is driven from an individual social environment instead of their genes (Hofstede J., Minkov and Hofstede, 2010). Culture has a great impact on consumers' behavior which is one of the main corners of a market; it also influences the political/legal environment of a country altering the way the economic systems function and the attitudes toward competition. Companies chance to reach successful results in international marketing depends on their understanding to the cultural differences of the foreign market; which relies on learning its origin, history structure and functioning and the way institutions have developed to cope with the environment and the influence of geographical environment on culture (Albaum & Duerr, 2011).

History, religion, values, social organizations and languages are the five elements that differs every culture from the other. By understanding these elements individuals will be able to acknowledge that all cultures share a common set of aspects that make each culture special in different manners (Samovar, Porter and McDaniel, 2007).

Culture is a significant determinant of ethical decision-making; it influences how individuals identify ethical problems, options and consequences. For firms to succeed in today's international markets, it is critical for managers to be aware and fully understand how ideas, values and moral standards vary across cultures and could easily affect marketing decision making (Hollensen, 2014). Classifying cultures on different dimensions shown great results for being a very constructive method; therefore companies classified as most ethical usually address the following issues as their code of ethics: Organizational, economic, employee, customer, industrial and political relations; such classifications help firms to vocalize and label cultural differences and similarities.

2.11. 5 Culture & Trust

Creating a culture of trust is an important element while doing business in a foreign environment, in some cultures carrying out a business activity is usually done with a company but in other cultures it is deeper than that as they believe business is done with an individual whom they can trust along their business journey. This type of belief is usually found in collectivistic societies where people value relationship of trust before taking any step toward business arrangements; in the mind of a collectivistic individual, only natural persons are worthy of trust and can be adopted to one's in-group to be entitled to the preferential treatments (Hofstede J., Minkov and Hofstede, 2010). In a market place that is becoming increasingly complex and uncertain, companies are focusing more and more on building trust between collaborating individuals, groups and together with their clients as well; interpersonal trust becomes very important in an attempt to switch managing organization through control to managing it by a culture of trust. The most desirable business culture to work in would be high trust and low regulations since it leads to responsible independence (Dani, Burns, Backhouse and Kochhar, 2006).

2.12 Theoretical Review

2.12.1 Theoretical Framework

This subsection gives a brief introduction, to the most common theoretical perspectives on foreign market entry strategy as relates to this study. In their comprehensive literature review of the research field, Brouthers and Hennart (2007) found that the most commonly employed theoretical perspectives on the entry mode choice are transaction cost theory, the resource-based view, institutional theory and Dunning's eclectic framework. The latter is not a theory itself, but rather a framework combining factors from the other three perspectives (Brouthers and Hennart, 2007). This framework will therefore not be further described here as only the transactionary and resource based theories will be discussed here.

Transaction Cost Theory

Among the four perspectives, transaction cost theory is the most frequently used theoretical perspective (Brouthers and Hennart, 2007). Transaction cost theory is concerned with the costs of transacting in the market, and states that the boundaries of firms are determined by firms selecting the governance structure that minimizes the transaction costs of carrying out its activities (Williamson, 1985). The theory is based on two behavioral assumptions, namely bounded rationality and opportunism. According to Williamson (1985) three factors influence transaction costs and thereby the choice of governance structure, namely asset specificity, internal and external uncertainty and task frequency. According to Anderson and Gatignon (1986) the entry mode decision is a trade-off between control and resource commitment.

When the transaction costs of operating in a particular foreign market are low, firms utilize the market. In other words, the default entry mode under the transaction cost perspective is a low resource commitment mode, such as exporting. When transaction costs of operating in the foreign market are higher, the need for control is higher and firms must engage in an entry mode that involves higher commitment of resources, such as establishing a subsidiary abroad.

Resource-Based View

The resource-based view, also termed knowledge-based or organizational capabilities view, focuses on the unique bundle of resources and capabilities possessed by the firm. Barney (1991) classifies firm resources into financial resources, physical resources, human resources and organizational capital, and states that resources that are valuable, rare and imperfectly imitable form a basis for competitive advantages. Firms thus seek to possess, develop or acquire such resources in order to exploit competitive advantages in the market.

With regard to foreign market entry the resource-based view is therefore concerned with how firms can use foreign markets to exploit their unique resources, or develop or acquire new resource-based advantages (Brouthers and Hennart, 2007). According to Brouthers and Hennart (2007) international experience is one such resource that has been found to influence foreign market entry decisions. This is in tune with the internationalization process or stages model proposed by Johanson and Vahlne (1977), perhaps the most influential effort to develop a model of the internationalization of a firm and the chain of operational modes in a specific country (Björkman and Eklund, 1996). This model states that firms, as they become increasingly experienced with foreign markets, gradually enter more distant markets and, as they gain knowledge about a particular foreign market, gradually increase their resource commitment in each market.

2.14 Empirical Framework of Foreign Market Entry Strategy and its Constructs

Without a cursory inspection of similar works on Foreign Market Entry Strategies and its components that provide empirical evidence, it may be difficult to have a good grasp of the subject matter. Hence, this section highlights such research that will serve as empirical anchor to this study.

Ibrahim (2011) identified a successful Strategic alliance in Starbucks and Kraft where Starbucks coffee was to be distributed through Kraft only. In the end both companies benefited. Starbucks gained quick entry into 25,000 supermarkets in the USA, supported by the marketing muscle of 3,500 Kraft salespeople and Kraft topped off its coffee line with the best-known premium brand and gained quick entry into the fast-growing premium coffee segment. This alliance clearly leads to market penetration, brand recognition and profitability for both partners hence the development of competitive advantage.

Hewlett-Packard (HP) and Disney have a long-standing alliance, dating back to 1938, when Disney purchased eight oscillators to use in the sound design of Fantasia from HP founders Bill Hewlett and Dave Packard. When Disney wanted to develop a virtual attraction called Mission: SPACE, Disney Imaginers (people who devise and implements new concepts) and HP engineers relied on HP's IT architecture, servers and workstations to create Disney's most technologically advanced attraction (Czaja, 2013). This partnership has helped Disney gain the technology it required from HP hence enhancing its competitive advantage.

Dockers and American Pacific Enterprises (APE) on the other hand had an alliance where APE was to sell towels and bed accessories with Dockers name on it. The benefits to Dockers were very little saving for their branded towels, but APE needed a strong brand image. This unbalanced alliance led to a big disaster for Dockers eventually as their brand image was severely damaged due to this awkward partnering with unrelated products. These imbalances led to the strategic alliance, ultimately collapsing (Ibrahim, 2011). From the forgoing, the alliance between Dockers and APE led to a competitive disadvantage for Dockers' position rather than competitive advantage which they sought.

Arndt (2009) observed that Cisco had had two failed alliances with Motorola and Ericsson. The partners had turned into competitors because of acquisitions. Acquisitions had turned allies into adversaries. With insider knowledge of each other they sought to use the information they had against each other. This was detrimental to the alliance but appears consistent with the external control of organizations theory. The theory sees organizations seeking to control their rivals.

In 2001 South African brewing giant, SAB Miller ceded the production of its key beer brands to Nairobi-based East African Breweries Limited (EABL) – its main challenger in the Kenya beer market following a bruising battle in which consumer hostility was spewed at Castle Lager. EABL later stopped the production of Castle Lager, effectively killing the presence of South Africa's beer in Kenya (Kenyan market a hard egg to crack," 2010). Castle Lager is reportedly working to replace EABL as Kenya national football team sponsors hence seeking to revive its presence in Kenya by 2014 (Mabuka, 2013). This appears to rhyme with the external control theory of firms to fight off competition in a company's territory. (Kenyan market a hard egg to crack," 2010) observed that Media24 a South African firm trading by the name East Africa Magazines Limited (EAM), started joint operations with Nation Media Group (NMG) in 2005 to publish popular southern African titles the Drum, True Love and Move in Nairobi. The coexistence lasted only four years as NMG, East Africa's largest media company, pulled out of the deal, taking with it some of the journalists and salespeople. This left Media24 vulnerable. Ojo and Ireti (2011) carried out empirical investigation of the relationship between franchising and organizational performance of selected fast food in Nigeria. A structured questionnaire was administered to 230 staff of the 25 franchised outlets existing in Lagos state, to survey their opinion on how franchising type and ownership impact their organizational performance. Findings reveal that both franchising type and ownership have positive relationship with organizational performance.

Similarly, Hnucklek, Ismail and Haron (2013), investigated the franchisees' perception of franchisors' performance in the franchise food and beverage industry in Thailand. The study examines the factors that lead to the franchisees' perception of the performance of the franchisor and tests the mediating effect of perceived franchisor's support on the relationship of relationship marketing to franchisors' performance. The results from the analysis of data gathered 111 Thai-franchise businesses presented evidence that perceived franchisor support (PFS) is the contribution in the franchise business system. Also that the mediating effect of

PFS is the key structure of franchisors' performance to keep in touch for future success in the franchise system.

Finally, Sriya Kumarasinghe investigates different entry modes and staffing practices, and their influence on performance in Japanese subsidiaries in Australia and New Zealand. The major assumption of this paper was that Japanese MNCs use their staffing policies as a means of exerting more influence over the entry mode strategy by having more control over the business operations in the host country. The study reveals significant differences in Japanese subsidiaries between the two countries.

2.15 Summary

This study reviewed various concepts of foreign market entry strategies. Competitive advantage in relation to marketing performance was also reviewed. Based on the context of this study, this chapter viewed foreign market entry strategy or entry mode as the introduction of another or an existing product in a foreign market. And these products can be presented by the different entry mode used as a part of this study. These market entry modes include; franchising, joint venture, strategic alliance and export. Franchising is a techniques of distributing products or services by licensing/permitting business processes, products, services and intellectual properties to investors who will work inside an established business model. The history of franchising and its advancement was critically reviewed and its advantages and disadvantages to the survival of business were also additionally talked about in this chapter.

Strategic alliance is viewed in this study as an agreement between or among firms to seek after joint objectives through coordination of activities and sharing of resources. Strategic alliance is highly suitable for markets entry to shore up existing shortcomings and increase competitive advantage. Additionally, the different types of strategic alliance were examined and the reasons for entry into it were obviously expressed.

In this study Joint venture is seen as an arrangement between legitimately and economically two independent entities formed by two or several parent companies that mutually contribute capital and a variety of resources with the point of achieving certain specific goals. The types and benefits of joint venture were, also examined in this chapter.

From literature review, it was seen, that exporting is the point at which a firms products are made in the domestic market or a third country and afterward transferred either straightforwardly or by implication to the host market. This makes it one of the simplest ways to enter a foreign market and it is usually the initial step firms take to enter into the international business arena.

Competitive advantage is defined, as the superiority gained by an organization by providing greater perceived value to customers, either through low prices or through additional benefits and services that justify similar or possible high prices. The relationship between marketing performance and franchising, strategic alliance, joint venture, and exporting were, also reviewed to give credence to our conceptual framework established in this study.

The various factors that may affect entry mode decisions, such as, internal and external factors were, critically examined in this study. Also, addressed in this study was the legal structure for business operations in Nigeria and the registration of the business. These was discussed, as it will aid businesses to know the various laws governing business operations in Nigeria and the processes of registering such businesses.

Similar Studies of foreign market entry strategies and its components that provide empirical evidence to this study was reviewed. Such studies include; Ibrahim, (2011), Czaja, (2013), Ojo and Irefin, (2011), and Ismail and Haron, (2013). Moreover, none of them addressed the impact of foreign market entry strategy on marketing performance in the Nigerian food and beverage industry. Subsequently, this study plans to cover this gap.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

The chapter discusses the methodology used to answer the research questions and test the hypotheses with the point of accomplishing the objectives of the study. The chapter covers the research method, research design, the study population, sample size and sampling techniques, source of data and procedure for data collection, design of instrument, data analysis method, and the validity and reliability of the instrument.

3.2 Research Design

The process of determining the specific research design is a creative one. The variety of choice is essentially limitless, and the number of design objectives is usually multiple and conflicting. Research design is the approach, framework, or plan for carrying out research studies. It can be described as a detailed outline used to guide a research study towards its objectives (Olannye, 2006). This study, however, adopted a cross sectional survey-research design method in achieving its objectives. A cross sectional survey -research design method focuses on the population under investigation and adopting this method of approach enhances the authenticity of the study. The cross sectional Survey research approach is deemed to be the most appropriate for this study since the issue of concern deals with opinions, perceptions or attitude of individuals which cannot be measured directly because we cannot observe it.

3.3 Population of the Study

Asika (2004) describes population as well designed collection of individual or object known to have similar characteristics or attitudes. Also, Olannye, (2006) defines the population of a study as the totality of all elements or objects of a well –defined group being studied. Defining the population to be investigated involves identifying which elements as well as where and when (Green, Tull and Albaum, 2010).

The population of the study consists of top management and long term serving employees of the selected firms in Lagos and Ogun states environs. The sampling frame for this study is eight hundred [800] respondents, and were collected from the selected 10 food and beverage industries under study.

3.4 Sampling Techniques

Since it is sometimes impossible to study an entire population, researchers typically rely on sampling to determine a section that truly represents the population. It is important that the sample be representative of the population, and not biased in a systematic manner. Thus, in this study, the stratified random sampling, the disproportionate type method was adopted. This sampling technique was chosen because the study populations – food and beverage industries – are stratified along different companies. Hence, the researcher selected sample from each group such that the number of sample subject from a particular group is proportional to the group's share of the total population.

Table 3.0: Disproportionate stratified Sampling

Companies	**Proportion in samples**	**Number in sample**
UAC foods Plc	14.6	38
Flour Mills Nigeria plc	11.5	30
De United Foods industry Ltd	9.6	25
Nigeria Bottling companies Plc	8.5	22
Nigeria Breweries plc	9.6	25
Guinness Nigeria	9.6	25
Classic Beverage Nigeria Ltd	7.7	20
Honeywell Flour Mills Plc.	9.6	25
International Breweries	8.8	23
Promasidor Nigeria Limited	10.4	27
Total	100	260

Source: Researchers'' computation, 2017

3.5 Sample Size

A sample size is said to be representative of the population from which it is drawn if the aggregate characteristics of the sample closely approximate those same aggregate characteristics of the population Yomere and Agbonifoh 1999. A total of 260 staff of the ten food and beverage firms were selected as the sample size. These numbers were derived at by using Krejcie and Morgan (as cited in KENPRO, 2012) sample size determination table/formular [see appendix 2 for clarification].

3.6 Instrument of Data Collection

The research instrument to be used in this study is a structured questionnaire with respond format in the five point Liker scale form whereby the respondents will be asked to give answers ranging from strongly disagreed to strongly agree. it is particularly suitable at measuring or obtaining evaluative response towards an object according to Yemere and Agbonifoh , (1999), requiring intense evaluation of his attitude stating how well he agrees or disagrees with a statement; hence its usage in this study. The liker questionnaire scale format is assigned numbers that ranges from: One (1): for strongly disagreed; Two (2): for disagree; Three (3): for Undecided; four (4): for agree; and five (5): for strongly agreed.

3.7 Validation of Research Instrument

This border on ensuring that the measuring instrument is of quality in order to prevent measurement errors. Specifically, validation of instruments is of two-fold involving validity and reliability.

3.7.1Validity of Research Instrument

This refers to the extent to which the instruments (questionnaire) measures what it is designed to measure. That is, its accuracy in capturing correct responses.

Construct validity and face validity were the two measures used to establish the validity of measurements. Construct validity which attempts to measure how adequately an instrument covers the instruments and the actual meaning of constructs was done initially in line with the four constructs. To establish face validity, two academic experts scrutinized the questionnaire items and suggested improvement for phrasing items. After affecting the correction, it was judged to be adequate in covering the content areas of the study variables.

3.7.2 Reliability of Research Instrument

This refers to the consistency of the questionnaire in producing same or similar results in repeated trials. A pilot study was conducted using 20 respondents within three weeks. These respondents were randomly drawn from the list of long term serving employees and top managements of the selected food and beverage sector who have the requisite knowledge and understanding of the operations of the foreign market entry strategies. The test –retest method was used to assess the reliability of the questionnaire. Using Cronbach's Alpha Coefficient test to measure scale reliability, the internal consistency of the study variables will be confirmed. The recommended coefficient value for Cronbach's Alpha score will be set at 0.7 (Hair, Bush and Ortinau, 2006).

Table 3.1 reliability coefficients of the study constructs

Dimension of study constructs	Numbers of items	Numbers of cases	Cronbach's Alpha Coefficient
Franchising	5	20	0.803
Strategic alliance	5	20	0.721
Joint ventures	5	20	0.754
Exporting	5	20	0.809
Competitive Advantage	5	20	0.792

Source: Pilot survey data, 2017

3.8 Method of Data Collection

Each individual in the sample would be expected to fill in their responses to the questionnaire and collection would be made. In order to make sure that a sufficient number of the respondent fill in their responses, communication via emails and are utilized for respondents we are unable to meet facially, especially the respondents at the senior management level.

3.9 Techniques of Data Analysis

This study makes use of frequently distribution table for data presentation, descriptive statistics for data analysis, and cronbach alpha for reliability test while the multiple regression analysis is used to model the conceptual relationship between all four independent variables and the dependent variable. For the test of Hypothesis the r^2 value will be used and it is put at 0.05 level of significant. In order to meet the research objectives of this study, all valid responses were assessed using the statistical techniques of Multiple Regression Analysis. Multiple regression analysis was chosen because it is best suited to test the relative effect of the independent variables on the dependent variable. Regression analysis describes the way in which a dependent variable is affected by a change in the value of one or more independent variables. The multiple regression analysis model that was tested in this study is stated below.

$COA = \propto_0 + \propto_1 FRAN + \propto_1 STRA + \propto_1 JV + \propto_1 EXP$

Where:

COA = Competitive advantage

FRAN: Franchising

STRA: Strategic Alliance

JV: Joint Venture

EXP: Export

$\propto$ = Constant Coefficient

$\propto_1$ = Coefficients

The model utilized above is crafted in line with studies of Arasa and Gideon (2015)

CHAPTER FOUR

RESULTS AND DISCUSSION

4.1 Introduction

The primary purpose of this study was to assess foreign market entry strategies on marketing performance in the Nigerian food and beverage industry. The secondary purpose is to assess the impact of such entry mode on their marketing performance in the Nigerian market. However, data collected from the relevant sources through questionnaire were classified, organized and analyzed. The trends, patterns and relationship among data were identified, grouped and interpreted. The hypotheses formulated for this study guided the arrangement of the tables. Each hypothesis focuses on the variables identified; a summary of the main findings follows each hypothesis

4.2 Demographic Data Analysis

The demographic data

Table4. 1: Staff status Distribution of Participants

Status	Frequency	Percentage
Chief Executive officer/Managing Director	3	1.2
Top Management	50	20.4
Executive	70	28.6
Supervisor	122	49.7
Total	245	100

Source: Field survey 2017

Staff status shows how many staffs participated in the research within the Population/sample. In table 1 the distribution revealed that 3 Managing Director were present in the distribution representing 1.2%, 50 were Top Management representing 20.4%, 70 were Executive representing 28.6%, and 122 were Supervisors representing 49.7%

Table4. 2: Marital Status Distribution of Participants

Marital status	Frequency	Percentage
Single	70	28.6
Married	160	65.3
Others	15	6.1
Total	245	100

Source: Field survey 2017

In table 2, the distribution revealed that 70 were singles representing 28.6%, 16 were married representing 63.3 and 15 others were present which could either be divorced or separated representing 6.1%.

Table4. 3: Age Distribution of Participants

Age distribution	**frequency**	**Percentage**
21-30	44	18
31-49	180	73.5

50 above	21	8.6
Total	245	100

Source: Field survey 2017

Table 3 was designed to capture the statistics on the age distribution of the participants. From the table, majority of the participants, numbering 180 representing 73.5% were at the age range of 31-49 years old. The next class of participants close to them were those whose ages fall within 21-30, these were 44 representing 17.9% and minority of the participants, numbering 21, representing 8.6% were at the range of 50years old above.

Table4. 4: Academic level of Participants

Academic level	Frequency	Percentage
PhD	10	4.0
Masters	50	20.4
B.sc /HND	180	73.6
Others	5	2.0
Total	245	100

Source: Field survey 2017

Table 4.4 was designed to capture the statistics on the academic attainment of the participants. From the table, majority of the participants, numbering 180 representing 73.6% were B.Sc/HND holders.. The next level of participants close to them were those who are masters holders were 50 representing 20.4% , the next after that were other categories which were 5 representing 2.0%, the next were P.hd holders 10 representing 4.0%

Table4. 5: Work Experience of Participants

Work experience	Frequency	Percentage
1-2 years	30	12.2
3-5 years	111	45.3
6-10 years	60	24.5
10 years above	44	18
Total	245	100

Source: Field survey 2017

Table4. 5 was designed to capture the statistics on the work experience of the participants. From the table, majority of the participants, numbering 111 representing 45.3%. The next level of participants close to them were 60 representing 24.5%, the next after that were 44 representing 18.0%, the next were 30 representing 12.2%

Table4. 6: Nature of Business

Nature of business	Frequency	Percentage
Manufacturing	240	98
Service	4	1.6
Others	1	0.4
Total	245	100

Source: Field survey 2017

Nature of business shows what the corporations deal with. The distribution revealed that 240 Manufacturing corporation were present in the distribution representing 98%, 4 were service corporation representing 1.6%, 1 were other corporation representing 1.4%.

Table4. 7: Years of operation in Nigeria

Variables	Frequency	Percentage
Less than 5 years	100	40.8
5-10 years	82	33.5
Above 10 years	63	25.7
Total	245	100

Source: Field survey 2017

The number of years that the industries had spent in operation in Nigeria market was analyzed. The results revealed that 100 participants representing 40.8% indicated that their organizations had spent less than 5 years, 82 participants representing 33.5% indicated that their organizations had spent between 5-10 years and 63 participants representing 25.7% indicated that their organizations had spent above 10 years operating in Nigerian market.

Table4. 8 Branches in other country

Variable	Frequency	Percentage
Yes	233	95.1
No	12	4.9
Total	245	100

Source: Field survey 2017

Table4. 8 were designed to capture the statistics on the branches outside the country. From the table, majority of the participants has branches all over numbering 233 representing 95.1%. The next levels of participants were those organizations that don't have branches all in other nations numbering 12 representing 4.9%.

Table4. 9: Location of branches outside Nigeria

Branches	Frequency	Percentage
India	20	8.2
USA	31	12.7
Europe	16	6.5
All	79	32.2
Others	12	4.9
China	16	6.5
West Africa	71	29
Total	245	100

Source: Field survey 2017

In table 4.9 the distribution revealed that 20 have branches in India representing 8.2 %, 31 has branches in U S representing 12.7%, 16 has branches in Europe representing 6.5%, 71 has branches in West Africa representing 29%, 12 others have branches in other parts of the world representing 4.9%, 16 has branches in china representing 6.5%, and 79 have branches all around the world representing 32.2 %.

Table4. 10: Reasons for entry into the Nigerian market

S/N	Statement	Scale				
		SA 5	A 4	U 3	D 2	SD 1
10	Our organization entered the Nigerian market for profit making	180 (73.5)	48 (19.6)	7 (2.9)	8 (3.3)	2 (.8)
11	Our organisation entered the Nigerian market/foreign market to increase market share	139 (56.7)	90 (36.7)	15 (6.1)	- -	1 (.4)
12	Our organization entered the Nigerian market to increase our loyalty	150 (61.2)	59 (24.1)	35 (14.3)	- -	1 (.4)
13	Our organisation entered the Nigerian market to secure our future	142 (58.0)	67 (27.3)	30 (12.2)		6 (6.4)
14	Our organisation entered the Nigerian market to develop other parts of the world or for employment generation	182 (74.3)	38 (15.5)	8 (3.3)	8 (3.3)	9 (3.7)

Source: field work, 2017

Some of the statements that measured reasons for entry into the Nigerian market were analyzed as presented in table4. 10. In statement 10, the findings revealed that 228(93.1%) of the respondents agreed to the fact that their organisation entered into the Nigerian market for profit making, 7(2.9%) were undecided, while 10(4.1%) disagreed with the fact that their organisation entered into the Nigerian market for profit making. This implies that majority of the food and beverage industries entered into the Nigerian market for profit making. In statement 11, 229 (93.4) agreed that their organizations entered the Nigerian market to increase their market share, 15(6.1%) of respondents were undecided, while only 1(.4%) of respondents disagree to the statement.

Statements 12 measured loyalty as a reasons for entry into the Nigerian market and the findings revealed that 209(85.3%) agreed with the fact that their organisation entered into

Nigerian market to increase loyalty, 35(14.3%) were undecided, while 1(.1%) disagreed with the fact that their organisation entered into Nigerian market to increase loyalty.

Also, in statement13 findings revealed that 209(85.3%) of respondents agreed to the statement that their organization entered into the Nigerian market to secure her future 30(12.2%) were undecided, while 6(6.4%) disagreed, with the statement.

Lastly, in statement 14 the findings revealed that 220(89.8%) of the respondents agreed to the statement, that their organisation entered into the Nigerian market for developmental purpose and for employment generation .However, 8(3.3. %) of respondents were undecided, 26(5.2%) , while 17(7%) disagreed with the statement.

The analysis of the mode of entry of Food and Beverage Industries into the Nigerian Market.

Table4. 11: Mode of entry into the Nigerian market

S/N	Statement	Scale				
		SA 5	A 4	U 3	D 2	SD 1
15	Our organization is operating in Nigeria with the permission of our parent organization/company	173 (70.6)	49 (20.0)	9 (3.7)	11 (4.5)	3 (1.2)
16.	Our company in earlier times was involved in the sale of products in Nigerian market through an agent who was based in the country	130 (53.1)	96 (39.2)	16 (6.5)	3 (1.2)	-
17.	Our organization is completely independent of our parent company	145 (59.2)	64 (26.1)	35 (14.3)	1 (.4)	-
18.	Our organization reports directly to our parent company	134 (54.7)	73 (29.8)	32 (13.1)	-	6 (6.4)
19	Our organisation came directly into Nigeria and started operation	178 (72.7)	38 (15.5)	11 (4.5)	9 (3.7)	9 (3.7)
20	Our organization acquired an established firm in Nigeria from where we operated in Nigeria	139 (56.7)	103 (42.0)	3 (1.2)	-	-

21	Our organisation set up a new operation in Nigeria	140 (57.1)	104 (42.4)	1 (.4)	-	-

Source: field work, 2017.

Some of the statements that measured Modes of foreign market entry strategies into the Nigerian market were analyzed as presented in table 11 above. The findings revealed that 222(90.6%) of the respondents agreed with statement 15.Also, 9(3.7%) were undecided, while 14(5.7%) strongly disagreed with the statement. In statement 16, the findings revealed that 226(92.3%) agreed to the statement, 17(6.5%) were undecided, (15.7%) while 3(1.2%) disagreed with the statement.

In statement 17 (our organisation is completely independent of our parent company), findings revealed that 209(85.3%)of the respondents agreed to the statement,35(14.3%) were undecided, while 1(.4%) disagreed. In statement 18, findings revealed that 207(84.5%) of respondents agreed to the statement, 32(13.1%) were undecided, while 6(6.4%) disagreed with the statement.

In statement 19, (our organisation came directly into Nigeria and started operation), 216(88.2%) agreed to the statement, 32(13.1%) were undecided, while a 18 (7.4%) of respondents disagreed with the statement.

In statement 20, findings revealed that 242(98.7%) of the respondents agreed to the statement, 3(1.2%) were undecided while none of the 245 respondents disagreed with the statement.

In statement 21, (our organisation set up a new operation in Nigeria), 244(99.5%) of the respondents agreed to the statement while 1(.4%) were undecided to the statement.

4.3 Multiple Regression Analysis of Variables

Multiple regression analysis is a family of techniques used to explore the relationship between one continuous dependent variables and a number of independent variables or predictors it can be employed to addressing series of research questions. It can also establish that a group of independent variables explain a proportion of the variation in a dependent variable at a significant level Pallant, 2005. To determine the effect value foreign market entry strategies exerts on competitive advantage among the food and beverage companies in Nigeria, multiple regression analysis was conducted between competitive advantage (dependent variable) and franchising , strategic alliance joint venture and export using the sample data from field survey. The results are presented in Table4.12, Table4.13, and Table4.14

Table4.12 Model Summary of Multiple Regression Analysis

Mo del	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.683[a]	.467	.458	1.7515

a. Predictors: (Constant), export, joint venture, franchising, strategic alliance
Source: Field survey 2017

Table 4.12 above shows the changes in competitive advantage which are brought about the independent variables [franchising, strategic alliance, joint venture and export].
The 46.7% [.467] of the change in competitive advantage is explained by the independent variables [franchising, strategic alliance, joint venture and export].

Table4.13 Multiple regression of variance (ANOVA[a])

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	644.386	4	161.097	52.515	.000[b]
	Residual	736.226	240	3.068		
	Total	1380.612	244			

a. Dependent Variable: competitive advantage
b. Predictors: (Constant), **Export**, **JointVenture**, **Franchising**, **StrategicAlliance**
Source: **Field survey 2017**

The ANOVA table (F= 52.515, P < 0.01) indicates that the overall regression model is statistically significant and fits to the data well. Furthermore, it tells us that the model allows us to predict competitive advantage at a rate that is better than chance.

Table4.14 Multiple regression Coefficients[a]analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.436	1.230		1.981	.049
	Franchising	.605	.073	.505	8.330	.000
	strategic alliance	.191	.074	.176	2.594	.010
	joint venture	-.090	.065	-.085	-1.386	.167
	Export	.174	.061	.159	2.836	.005

a. Dependent Variable: competitive advantage
F **Source**: **Field survey 2017**

From Table 4.14 above, results from the multiple regressions' analysis indicated that

Franchising exhibited a significant positive effect on competitive advantage [β = .505, P<0.01].

Strategic alliance also exhibited a significant positive effect on competitive advantage [β= .176, P<0.01].

Joint venture exhibited a negative effect on competitive advantage [β=-.085, P>0.01].

Export exhibited a significant positive effect on competitive advantage [β=.159, P<0.01].

4.4: Testing of Hypotheses

The Regression analysis was employed as the analytical tool for testing the hypothesis. Hypotheses testing are really a systematic way for testing claims or ideas about any given parameter in a population using data measured in a sample. The p-value reported in the regression coefficient tables are used for testing the hypotheses.

The Decision Rule

If the probability value calculated is greater than the critical level of significance, then the null hypothesis will be accepted while the alternative hypothesis is rejected vive a vice. If the probability value of 0.01 is smaller than the critical value of 5% [i.e. 0.00< 0.05], we conclude that the given parameter is statistically significant. In this situation, it is accepted that, there is need to reject the null hypothesis and to accept the alternative.

Gujarati and Porter (2009) observed that when we reject the null hypotheses, we say that our findings are statistically significant and vice versa. They also opined that it is preferable to leave it to the researcher to decide whether to reject the null hypotheses at the given value.

Note the p-value [probability value] is also known as the observed or exact level of significance or exact probability of committing a type 1 error. More theoretically, the p-value is the lowest significance level at which a null hypothesis can be vetoed Gujarati and Porter, 2009. Thus, the p-value is at 0.05[5%].

4.4.1 Hypothesis HO_1

There is no significant relationship between franchising and firm competitiveness in the Nigerian food and beverage industry.

Since the p-value is at 0.05[5%] i.e. the level of significance which is the tolerable error in estimation is greater than the calculated level 0f significance [0.00< 0.05], the null hypothesis is rejected while the alternative is accepted implying that there is significant relationship between franchising and firms competitive advantage in the Nigerian food and beverage industry.

4.4.2 Hypothesis HO_2

There is no significant relationship between strategic alliance and firms' competitiveness in the Nigerian food and beverage industry.

The calculated level of significance is less than the p-value of 0.05[5%] i.e. the level of significance which is the tolerable error in estimation is greater than the calculated level of significant [0.01<0.05] , the null hypothesis is therefore rejected and the alternative hypothesis accepted. Implying that, there is a significant relationship between strategic alliance and firms' competitiveness in the Nigerian food and beverage industry.

4.4.3 Hypothesis HO_3

There is no significant relationship between joint venture and firms' competitiveness in the Nigerian food and beverage industry.

The calculated level of significance is greater than the p-value 0.05[5%] i.e. [.167>0.05], the null hypothesis is therefore, accepted while the alternative rejected implying that, there is no significant relationship between joint venture and firms competitiveness in the Nigerian food and beverage industry. This is so because sample data has failed to disprove it.

4.4.4 Hypothesis HO_4

There is no significant relationship between export and firms competitiveness in the Nigerian food and beverage industry.

The level of significance that was calculated is lesser than the established p-value [.005<0.05]. This is significant and more than the accepted 95% confidential gap. Thus, the null hypothesis is rejected and the alternative hypothesis is accepted. This implies that, there is a significant relationship between export and firms competitiveness in the Nigerian food and beverage industry. This is so because the sample data provided convincing evidence that there is significant relationship between export and competitive advantage.

4.5 Discussion of Findings

In line with the analysis of data conducted in chapter four and the review of related literature in chapter two, the discussion of findings of this research study is presented below.

4.4.1 Franchising and Competitive Advantage

The findings of the multiple regression analysis (table4.14) indicated that franchising has a positive and great significant effect on competitive advantage in the Nigerian food and beverage industries (β=.505,P<0.01). The alternative hypothesis was accepted because the p-value which is at 0.05 (5%), which is the tolerable error in estimation is greater than the calculated level of significant (0.00<0.05). This implies that there is a significant relationship between franchising and firms competitive advantage in the Nigeria Food and Beverage Industry. This shows that franchising is good at predicting competitive advantage and it has the highest effect on competitive advantage among the constructs of foreign market entry strategies used in this study. Furthermore, the result of the hypothesis testing approves the significance of the relationship between the two variables. This result agrees with the findings of Lever, (1997); Sharpe, (1997); Steensma and Corley, (2000), that franchising increases organizational competitiveness. Also, Sinderman, (1995); Casale, (1996), agreed that Franchising also increase profitability and productivity. It also improves financial performance Crane, (1999). The implication of this is that franchising aids the food and beverage industries in Nigeria to achieve competitive advantage in the global market.

4.4.2 Strategic Alliance and Competitive Advantage

Based on the data analysis relating to research question two and (HO_2) two, the relationship between strategic alliance and competitive advantage is positive and statistically significant (β=.176, P<0.01). The alternative hypothesis was accepted because the p-value which is at 0.05 (5%), which is the tolerable error in estimation is greater than the calculated level of significant (0.01<0.05). This implies that there is a significant relationship between strategic alliance and firms competitive advantage in the Nigeria Food and Beverage Industry. This assertion was supported by the result of the hypothesis testing done on it. The beta coefficient value of 0.176 means that for every unit increase or decrease in strategic alliance, competitive advantage will increase or decrease with 0.179.

The findings in this study is further supported by the findings of Nelson (2007), Lee (2007), that organisation forming strategic alliance experience enhance marketing performance which gives them competitive advantage. Perry et.al ,(2004), also found a positive significant relationship between participation in strategic alliance and marketing performance. Furthermore, Czaja, (2013) revealed that the partnership between Hewlett Packard and Disney has helped Disney gain the technology it required from HP. Hence, enhancing its competitive advantage. The implication of this is that strategic alliance improves competitive advantage and marketing performance in the food and beverage industries in Nigeria.

4.4.3 Joint Ventures and Competitive Advantage

In table4.14, the findings of the multiple regression analysis indicated that joint venture has a negative significant influence on competitive advantage on firms in the Nigerian food and beverage industries (β= -.085, $P<0.01$). The alternative hypothesis was rejected because the p-value which is at 0.05 (5%), which is the tolerable error in estimation is less than the calculated level of significant (.167>0.05). This implies that there is no significant relationship between joint venture and firms competitive advantage in the Nigeria Food and Beverage Industry. This shows that joint venture has no effect on competitive advantage or has the least effect on competitive advantage among the constructs of foreign market entry strategies used in this study. The result of the hypothesis testing showed that there is no significant statistical relationship between joint venture and competitive advantage. This is because the critical significant value of .167 (16.7%) is greater than the established p-value of 5%. This may be due to the fact that most organizations that entered into joint venture agreement with another firm pull out of the arrangements due to financial issue or bridge of the joint agreement by the participating firms. The implication is that most organizations in the Nigeria food and beverage industry may be reluctant in collaborating with other organizations in joint ventures that borders on joint production of food and beverages or to jointly carry out market research on new product development. This is because, may be such joint venture agreement entered by the participating firm have been breached in the past.

4.4.4 Export and Competitive Advantage

Table 4.14 shows that the multiple regression analysis result for export exhibited a positive significant effect on competitive advantage, giving the Beta value ($\beta = .159$, $P<.005$). The hypothesis testing led ample support to the nature of the relationship between the two variables because the P value of .005 means that the level of confidence is above 99%. Hence, the alternative hypothesis was accepted because the p-value which is at 0.05 (5%), which is the tolerable error in estimation is greater than the calculated level of significant ($.005<0.05$). This simply means that there is a significant relationship between export and firms competitive advantage in the Nigeria Food and Beverage Industry.

This finding is in accord with Cateora, Graham and Salwan, (2008) that Exporting accounts for 10% of global economic activities. Also, Porter, (1980, 1985), posits that Exporting companies design their marketing strategy in order to build sustainable competitive advantages. These advantages are communicating to the customers through a low price (low cost) or a non –price differentiation implemented using specific marketing mix programs for different segments and countries. Furthermore, Botavia and Kolachi (2012), states that exporting firms that adapt marketing mix elements get competitive advantage and have better returns.

CHAPTER FIVE

SUMMARY, CONCLUTION, AND RECOMMENDATIONS

5.1 Introduction

This study assesses the impact of foreign market entry strategy on marketing performance in the Nigerian food and beverage industry. This chapter focuses on the summary of findings from the analysis of data in chapter four, drawing conclusion on the basis of the findings and making appropriate recommendations. The chapter also provided room for contributions to knowledge and suggestions for further studies.

5.2 Summary

The results of the descriptive statistics on respondent demographic profile provide valuable information. Under the staff distribution of participants, supervisors accounted for 49.7% of respondents while only 1.2% of the respondents were chief executive officers. Also, noted in the descriptive statistics was that 73.5% of respondents falls within the age of 31-49 years, 65.3% of respondents were married and 73.6% of respondents were Bsc. Holders. The overall work experience of the respondents were encouraging as only 12.2% of the respondents have 1-2 years experience while 45.3% have 3-5 years which is good for this study. Also, 95% 0f respondents stated that their organization s have branches in other countries of the world.

An attempt was also made to find out the motive for entry into the Nigerian market by industries in the food and beverage sector, the findings revealed that 93.1 % of the respondents agreed that it was for profit making. And in table 4.11, statement 16, 92.3% 0f the respondents agreed that their organization first engaged in exports a market entry strategy before trying other entry strategy. This is because exporting is the first step in firm's internalization process and as such it requires fewer resources, involving less risk and greater flexibility when compared with other more advanced foreign market entry strategies (Leonidou et al. , 2014).

The results of the multiple regression analysis showed that the entire variable used in testing the hypotheses were of significant relationship with competitive advantage except joint venture whose critical significant value of 16.7% is greater than the established p-value of 5% and as such the null hypothesis was accepted**.** This rejection may be attributed to a number of factors already discussed in the literature review section of this study, such as cultural differences, hostile political environment, trust, competition intensity and poor integration process. The R^2 value of .467 shows that 46.7% of variance in competitive advantage is accounted for by the joint creative powers of franchising, strategic alliance, joint venture and export. The ANOVA table ($F=52.515$, $P<0.01$) implies that the overall regression model is significant. Thus, allowing us to predict competitive advantage at a rate better than chance. The standardized coefficient revealed that franchising is the most important predictor of competitive advantage($\beta= .505$, $P<0.01$), followed by strategic alliance($\beta=.176$, $P<0.01$) To this end, this study was able to assess that franchising, strategic alliance and export all foreign market entry strategies have a positive statistical significant relationship with competitive advantage/marketing performance.

5.3 Conclusion

In this study, assessing the impact of foreign market entry strategies on marketing performance in the Nigerian food and beverage industry was investigated. Based on the findings it of this study, the following conclusions was reached after diligent investigations.

It was concluded that franchising has significance influence on competitive advantage on the food and beverage industries in Nigeria. This is attributed to the fact that franchising arrangement allows for the free flow of an already existing marketing structure, brand name as well as an existing customer base in most cases.

The study concluded that strategic alliance has significance influence on competitive advantage. The food and beverage industries should as a matter of fact form strategic alliances with firms in order to have a competitive edge over their rivals as they stand to benefit from the cost saving nature, easy market penetration and retention nature that is attributed to strategic alliance.

It is also concluded that joint venture has no effect on competitive advantage. This is as a result of the failure of many joint venture organizations breaching the contractual agreement on which the venture was funded and in most cases funds meant for the success of the formed venture[s] are used for other personal motives. Lack of trust amongst the participating organizations sometimes makes funds not available to carry out operations. Hence, its failure.

Finally, export has impact on competitive advantage. Export is the cheapest and easiest way of entering into the international market. Usually, most firms seek to indulge in exporting during their first stage of internalization because of the flexible conditions attached to it. This research was not free from limitations. The results were drawn from a sample of the food and beverage industries within Lagos and Ogun state. Therefore, the findings are state and region specific. This is a part of an on-going research. The analysis was limited to the companies with performance measure and it was subjective. In order to derive strong conclusions, more quantifiable measures need to be added to the performance variables and also the sample size for the food and beverage industries need to be increased.

5.4 Recommendations

This study has shown that franchising, strategic alliance, joint ventures and export improve marketing performance which gives them competitive advantage .Hence, the choice of entry mode for the food and beverage industries operating in Nigeria. Thus, this study recommends that:

I. Companies entering the Nigerian market while applying a franchising model will not face a major number of internal and external factors that would affect them in a significant or unhelpful way causing their operations to fail. Moreover, it was shown, that franchising as an entry strategy favors the food industries.

II. It is also, recommended that since import is the cheapest and easiest way of going global, industries in the food and beverage sector should first embark on import as their first entry strategy and as the business grows other foreign market entry strategies can be considered.

III. As for the firm who wants to go, global it is significant to analyze the external and internal factors first-hand before making a decision. Then to choose the suitable way of entry among possible entry modes is to find the most effective and efficient way for the company's international expansion.

5.5 Contributions to Knowledge

The study made the following advancement to the body of knowledge:

I. The study filled geographical gap by domesticating the relevance of market entry strategies to the growth and marketing performance of the food and beverage industries in Nigeria.

II. This study has provided new information on key foreign marketing entry strategies needed to become competitive in the industry.

III. This study will equip players and managers of the food and beverage industries to the gains of going global in their business operation.

IV. The study demonstrated that majority of the manufacturing firms in the food and beverage industries in Nigerian are in the global market place. This is good for marketing performance and global awareness.

5.6 Suggestions for further study

In the future, international business students and researchers should endeavor to research into the Legal and corruption problems facing the food and beverage sector of the country, because from some literature reviewed, it was noticed that the corruption rate before and during entry into a new market tends to be high in Nigeria. Also, Cultural sensitivity should also be considered in the nearest future, and finally the political structures of new market should be put in mind. In similar vein, further studies of foreign market entry strategy on business performance can be extended to other sector of the economy such as the manufacturing sector, educational sector as well as the agricultural sector. Also, other modes of foreign market entry strategy should be investigated to ascertain their impact on marketing performances. When it comes to entry mode selection, a research could combine different entry modes such as joint ventures, export and licensing and compare it to franchising in order to highlight its differences and to which extent franchising could be the best option to apply when entering the Nigeria market for a better marketing performance and competitive advantage.

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APPENDIX 1

DELTA STAT UNIVERSITY, ASABA CAMPUS, DELTA STATE.
DEPARTMENT OF MARKETING
MS.C MARKETING
QUESTIONNAIRE.

28TH DECEMBER, 2016

Dear Respondent,

LETTER OF INTRODUCTION

Mr. Ekhayemhe Joseph Aigboje is a research student of the above University and he has taken up a research project titled 'Assessing the impact of foreign market entry strategies on marketing performance in the Nigerian food and beverage industry. The purpose is to collect information from primary sources in order to enhance the authenticity of this research work.

May I kindly request for your assistance in completing the questionnaire. For your convenience, the questions are designed to take only few minutes of your time to answer but in doing so, you will be contributing to the advancement of knowledge for the progress of our economy (Nigeria).

Please feel free to supply all the necessary information. Any information given will be used for this purpose only and will be treated in strict confidentiality.

Yours faithfully,

Dr. A.P. Olannye

Project Supervisor

DELTA STATE UNIVERSITY
DEPARTMENT OF MARKETING
FACULTY OF MANAGEMENT SCIENCES

Dear Respondent,

Assessing the impact of foreign market entry strategies on marketing performance in the Nigerian food and beverage industry is an area of study in which there has not been enough research conducted in Nigeria. This researcher is a postgraduate student conducting a study titled "Assessing Foreign Market Entry Strategies on Marketing Performance in the Nigerian Food and Beverage Industry" in partial fulfillment for the award of M.Sc in Marketing Department, Delta State University. This questionnaire is strictly for research purpose and your responses will be treated with paramount confidentiality.

Section A: (Personal Data)
Please fill the following by ticking where applicable and provide brief answers where necessary.
1. Staff Status: CEO/MD ( ) Top Mgt ( ) Executive ( ) Supervisor ( )
2. Marital status: Single ( ) Married ( ) others ( )
3. Age: 21-30 ( ) 31-49 ( ) 50 above ( )
4. Qualification: PhD ( ) Masters ( ) BSC/HND ( ) Others ( )
5. Work Experience 1-2yrs ( ) 3-5yrs ( ) 6-10yrs ( ) 10yrs above ( )

Section B Organizations' Profile
Please supply the following information about your organizations by ticking where applicable and provide brief answers where necessary.
6. What is the nature of your organization? Manufacturing ( ) Service ( ) others, please specify………..
7. Years of operation in Nigeria……….
8. Do you have branches in any other country? Yes ( ) No ( )
9. If yes, where…………

Section C Reasons for Entry into Nigerian Market

Please indicate your opinion in the columns provided. Note that 5= Strongly Agree (SA), 4=Agree (A), 3=Undecided (U), 2=Disagree (D), 1=Strongly Disagree (SD).

No	Statements	SA	A	U	D	SD
10	Our organization entered the Nigerian market for profit making					
11	Our organization entered the Nigerian/ foreign market to increase market shares					
12	Our organization entered the Nigerian market to increase our loyalty					
13	Our organization entered the Nigerian market to secure our future					
14	Our organization entered the Nigerian market to develop other parts of the world or for employment generation.					

Section D: Modes of entry into the Nigerian Market

Please indicate your opinion in the columns provided. Note that 5= Strongly Agree (SA), 4=Agree (A), 3=Undecided (U), 2=Disagree (D), 1=Strongly Disagree (SD).

S/N		SA	A	U	D	SD
15	Our organization is operating in Nigeria with the permission of our parent organization / company					
16	Our company in earlier times was involved in the sale of products in Nigerian markets through an agent who was based in the country					
17	Our organization is completely independent of our parent company					
18	Our organization reports directly to our parent company					
19	Our organization came directly into Nigeria and started operation					
20	Our organization acquired an established firm in Nigeria from where we operated in Nigeria					
21	Our organization set up a new operation in Nigeria					

Section E: Research Question 0ne: Does franchising influence competitive advantage of firms in the Nigerian food and beverage industry?

S/N	**Franchising**	SA	A	U	D	SD
22	Franchising enables local franchisee to compete favorably with other larger indigenous firms					
23	Franchising agreement is generally suitable in the Nigeria fast food industry					
24	Franchising increases brand awareness and market penetration					
25	Franchising ensures the transfer of competitive competences from multinational to local counterpart.					

Research question two: does strategic alliance impact on competitive advantage of firms in the Nigerian food and beverage industry?

S/N	Strategic Alliance	SA	A	U	D	SD
26	Strategic alliance allows multinational companies achieve its objectives more effectively in area of resource exploration					
27	Strategic alliance contributes to the attainment of the mission or vision of the organisation					
28	Cultural differences of countries sometimes hinder the actualization of strategic alliance					
29	Strategic alliance gives access to new market and new technology					

Research question three: to what extent does joint venture impact on competitive advantage of firms in the Nigerian food and beverage industry?

S/N	Joint Ventures	SA	A	U	D	SD
30	The adoption of joint venture allows the multinational companies greater participation in host country					
31	Joint venture strategy improves local contents and the development of indigenous firms					
32	Joint venture strategy ensures the attainment of competitive advantage in the food and beverage sector of Nigeria					
33	Shared Management experience and expertise , industry knowledge and technological capabilities can be achieved through joint venture					

Research question four: does export affect competitive advantage of firms in the Nigerian food and beverage industry?

S/N	Exporting	SA	A	U	D	SD
34	Exporting is the simplest and cheapest way of entry into foreign market					
35	Export of raw materials to other countries for the production of food and beverages has affected the growth of the food and beverage industry in Nigeria					
36	Import of finished food and beverages into the country has affected the growth of the food and beverage industry in Nigeria					
37	Export strategy allows multinational firms little interference in economy of host countries					

What is the impact of foreign market entry strategies on a firm competitive advantage?

S/N	**Competitive Advantage**	SA	A	U	D	SD
38	Our involvement in one or two forms of foreign market entry strategies has greatly improve my company's competitive advantage					
39	We are one of the leading food and beverage firm in Nigeria because of the competitive advantage we have over others					
40	The various Foreign market entry strategies embark upon by my firm has improve our market share					
41	The foreign market entry strategies adopted by my firm has made us the market leader					

Appendix 2

N	S	N	S	N	S
10	10	220	140	1200	291
15	14	230	144	1300	297
20	19	240	148	1400	302
25	24	250	152	1500	306
30	28	260	155	1600	310
35	32	270	159	1700	313
40	36	280	162	1800	317
45	40	290	165	1900	320
50	44	300	169	2000	322
55	48	320	175	2200	327
60	52	340	181	2400	331
65	56	360	186	2600	335
70	59	380	191	2800	338
75	63	400	196	3000	341
80	66	420	201	3500	346
85	70	440	205	4000	351
90	73	460	210	4500	354
95	76	480	214	5000	357
100	80	500	217	6000	361
110	86	550	226	7000	364
120	92	600	234	8000	367
130	97	650	242	9000	368
140	103	700	248	10000	370
150	108	750	254	15000	375
160	113	800	260	20000	377
170	118	850	265	30000	379
180	123	900	269	40000	380
190	127	950	274	50000	381
200	132	1000	278	75000	382
210	136	1100	285	1000000	384

Note.—N is population size. S is sample size.

Source: Krejcie & Morgan, 1970

The table is constructed using the formula below:

Formula for determining sample size

$$s = X^2NP(1-P) \div d^2(N-1) + X^2P(1-P)$$

s = required sample size.

X^2 = the table value of chi-square for 1 degree of freedom at the desired confidence level (3.841).

N = the population size.

P = the population proportion (assumed to be .50 since this would provide the maximum sample size).

d = the degree of accuracy expressed as a proportion (.05).

Source: Krejcie & Morgan, 1970

Appendix 3

Statistics

		profit making	market shares	increase our loyalty	secure our future	employment generation
N	Valid	245	245	245	245	245
	Missing	0	0	0	0	0

Frequency Table

profit making

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	2	.8	.8	.8
	2.0	8	3.3	3.3	4.1
	3.0	7	2.9	2.9	6.9
	4.0	48	19.6	19.6	26.5
	5.0	180	73.5	73.5	100.0
	Total	245	100.0	100.0	

market shares

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2.0	1	.4	.4	.4
	3.0	15	6.1	6.1	6.5
	4.0	90	36.7	36.7	43.3
	5.0	139	56.7	56.7	100.0
	Total	245	100.0	100.0	

increase our loyalty

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2.0	1	.4	.4	.4
	3.0	35	14.3	14.3	14.7
	4.0	59	24.1	24.1	38.8
	5.0	150	61.2	61.2	100.0
	Total	245	100.0	100.0	

Secure our future

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	6	2.4	2.4	2.4
	3.0	30	12.2	12.2	14.7
	4.0	67	27.3	27.3	42.0
	5.0	142	58.0	58.0	100.0
	Total	245	100.0	100.0	

employment generation

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	9	3.7	3.7	3.7
	2.0	8	3.3	3.3	6.9
	3.0	8	3.3	3.3	10.2
	4.0	38	15.5	15.5	25.7
	5.0	182	74.3	74.3	100.0
	Total	245	100.0	100.0	

Statistics

		permission	Agent	independent	reports directly	came directly	acquired	set up
N	Valid	245	245	245	245	245	245	245
	Missing	0	0	0	0	0	0	0

Frequency Table

Permission

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	3	1.2	1.2	1.2
	2.0	11	4.5	4.5	5.7
	3.0	9	3.7	3.7	9.4
	4.0	49	20.0	20.0	29.4
	5.0	173	70.6	70.6	100.0
	Total	245	100.0	100.0	

Agent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2.0	3	1.2	1.2	1.2
	3.0	16	6.5	6.5	7.8
	4.0	96	39.2	39.2	46.9
	5.0	130	53.1	53.1	100.0
	Total	245	100.0	100.0	

Independent

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2.0	1	.4	.4	.4
	3.0	35	14.3	14.3	14.7
	4.0	64	26.1	26.1	40.8
	5.0	145	59.2	59.2	100.0
	Total	245	100.0	100.0	

reports directly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	6	2.4	2.4	2.4
	3.0	32	13.1	13.1	15.5
	4.0	73	29.8	29.8	45.3
	5.0	134	54.7	54.7	100.0
	Total	245	100.0	100.0	

came directly

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	1.0	9	3.7	3.7	3.7
	2.0	9	3.7	3.7	7.3
	3.0	11	4.5	4.5	11.8
	4.0	38	15.5	15.5	27.3
	5.0	178	72.7	72.7	100.0
	Total	245	100.0	100.0	

Acquired

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3.0	3	1.2	1.2	1.2
	4.0	103	42.0	42.0	43.3
	5.0	139	56.7	56.7	100.0
	Total	245	100.0	100.0	

set up

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	3.0	1	.4	.4	.4
	4.0	104	42.4	42.4	42.9
	5.0	140	57.1	57.1	100.0
	Total	245	100.0	100.0	

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.683[a]	.467	.458	1.7515

a. Predictors: (Constant), export, joint venture, franchising, strategic alliance

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	644.386	4	161.097	52.515	.000[b]
	Residual	736.226	240	3.068		
	Total	1380.612	244			

a. Dependent Variable: competitive advantage
b. Predictors: (Constant), export, joint venture, franchising, strategic alliance

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.436	1.230		1.981	.049
	franchising	.605	.073	.505	8.330	.000
	strategic alliance	.191	.074	.176	2.594	.010
	joint venture	-.090	.065	-.085	-1.386	.167
	export	.174	.061	.159	2.836	.005

a. Dependent Variable: competitive advantage