

Assessing the Effectiveness of Distribution Channels and Product Availability on Product Performance Across Market Segments in Nigeria's FMCG Industry

¹Odunsi, Adenike Olufunmilayo (Ph.D); ²Akinola, Oladunni Ajoke (PhD);

³Odunsi-Ujiagbe Oluwakemi

^{1,2} Department of Business Administration, Lead City University, Ibadan, Oyo State, Nigeria.

³ Department of Management, Aberdeen Business School, United Kingdom

Abstract: This study provides an empirical evaluation of the impact of distribution channel effectiveness and product availability on product performance within Nigeria's Fast-Moving Consumer Goods (FMCG) industry a sector integral to national economic growth, employment generation, and consumer welfare. Adopting a descriptive survey research design, data were collected from 290 respondents drawn from selected FMCG firms across Nigeria's South-West region using a stratified random sampling technique. The data were analyzed using both descriptive and inferential statistics, including Pearson Product-Moment Correlation and Multiple Regression Analysis, to test the hypothesized relationships among the study variables. Findings revealed that distribution channel effectiveness exerts a positive and statistically significant effect on product performance ($\beta = 0.682$, $t = 10.74$, $p < 0.05$), accounting for approximately 46% ($R^2 = 0.460$) of the variance in product performance. Similarly, product availability demonstrated a strong and significant influence on product performance ($\beta = 0.684$, $p < 0.05$), explaining 52% ($R^2 = 0.520$) of the observed variations. These results underscore the critical role of efficient distribution networks and sustained product availability in enhancing market penetration, customer satisfaction, and brand competitiveness. The study concludes that the synergistic interaction between distribution efficiency and product availability forms a strategic determinant of competitive advantage and profitability in Nigeria's FMCG sector. It recommends that firms adopt technology-driven supply chain systems, strengthen logistics infrastructure, and expand distribution coverage to rural and semi-urban markets. The research contributes to the growing body of literature on supply chain optimization and provides actionable insights for policymakers and FMCG managers seeking sustainable market performance.

Keywords: Distribution Channel Effectiveness; Product Availability; Product Performance; Supply Chain Efficiency; Nigerian FMCG Industry.

Introduction

The Fast-Moving Consumer Goods (FMCG) sector plays a pivotal role in Nigeria's economy, serving as one of the largest contributors to employment, consumer spending, and manufacturing output. This industry encompasses a wide range of products such as food and beverages, personal care items, and household goods, which are characterized by high consumer demand and frequent, repurchase (Adebayo & Oladipo, 2023). Given Nigeria's large population and expanding middle class, the FMCG market continues to offer substantial opportunities for firms that can ensure effective product distribution and consistent availability across diverse regions.

Despite these opportunities, the Nigerian FMCG industry faces persistent challenges related to inefficient distribution systems, poor infrastructure, and supply chain disruptions that limit product accessibility (Eze & Chukwu, 2021). Many firms struggle to maintain product visibility and availability due to complex logistics, inadequate warehousing, and unreliable transportation networks. These challenges not only affect sales volumes and profitability but also influence overall product performance in terms of market share, brand loyalty, and customer satisfaction (Ogunleye & Babatunde, 2022).

Distribution channels form the backbone of FMCG operations. They represent the pathways through which goods move from manufacturers to final consumers, often involving intermediaries such as wholesalers, distributors, and retailers (Kotler & Keller, 2020). The effectiveness of these channels determines how efficiently products reach consumers, how quickly market feedback is obtained, and how well firms can respond to changes in consumer demand. When distribution channels are inefficient, products may not reach the right markets at the right time, leading to stockouts, loss of market share, and decreased competitiveness (Okorie & Udeh, 2023).

Product availability, on the other hand, is a critical determinant of consumer purchasing decisions. In a competitive FMCG landscape, availability directly affects customer satisfaction and repeat purchase behavior (Nwachukwu & Ezenwa, 2022). When consumers frequently encounter out-of-stock situations, they are likely to switch to competing brands, resulting in long-term brand erosion and declining product performance. Ensuring continuous product availability requires efficient coordination between manufacturers, distributors, and retailers, supported by accurate demand forecasting and inventory management systems (Aliyu & Adebajo, 2024).

The Nigerian FMCG sector has become increasingly competitive in recent years due to globalization, technological advancements, and the entry of multinational brands. This heightened competition has compelled local manufacturers to reassess their

distribution strategies and supply chain operations. Many firms now invest in digital logistics platforms, data analytics, and e-commerce channels to enhance distribution efficiency and ensure broader product reach (Onyema & Adefolarin, 2023). However, despite these efforts, issues such as weak supply chain integration, regional disparities, and inadequate retail infrastructure continue to hinder product performance. In addition, the macroeconomic environment in Nigeria characterized by inflationary pressures, fluctuating foreign exchange rates, and unstable power supply has compounded the challenges of distribution and product availability. These factors often increase operational costs and reduce firms' ability to maintain optimal inventory levels (Olowookere & Nnaji, 2023).

This study, therefore, seeks to examine the impact of distribution channel effectiveness and product availability on product performance within Nigeria's FMCG sector.

Statement of the Problem

The Fast-Moving Consumer Goods (FMCG) sector in Nigeria is a vital contributor to employment and GDP but continues to face significant challenges linked to poor distribution efficiency and inconsistent product availability. Weak infrastructure, unreliable power supply, and inadequate logistics systems hinder firms' capacity to move products effectively across the country, resulting in high costs and delays (Adebayo & Oladipo, 2023; Eze & Chukwu, 2021). The fragmented nature of distribution networks—marked by numerous intermediaries and regional imbalances further leads to supply chain inefficiencies and limited market coverage (Okorie & Udeh, 2023).

Many FMCG firms struggle with inventory management, poor demand forecasting, and insufficient warehousing, causing frequent product shortages and uneven supply across regions (Aliyu & Adebajo, 2024). These challenges reduce sales, customer satisfaction, and brand loyalty as consumers often switch to substitute products (Ogunleye & Babatunde, 2022). Despite numerous studies on marketing and supply chain practices, limited attention has been given to understanding how distribution channel efficiency and product availability jointly influence product performance (Onyema & Adefolarin, 2023).

Objectives of the Study

The general objective of this study is to evaluate the impact of distribution channel effectiveness and product availability on product performance in the Nigerian FMCG industry, while the specific objectives of the study are to:

- i. assess the effectiveness of distribution channels used by FMCG firms in Nigeria in delivering products efficiently to the final consumers; and

- ii. examine the level of product availability across different market segments in Nigeria's FMCG industry

Literature Review

Distribution channels represent the pathways or networks through which goods and services move from producers to end-users. They serve as the link between manufacturers and consumers, ensuring that products are accessible, available, and delivered at the right time and place. According to Kotler and Keller (2022), a distribution channel is a structured system of interdependent organizations involved in making a product or service available for use or consumption. In the context of the Nigerian Fast-Moving Consumer Goods (FMCG) industry, effective distribution channels are critical to achieving high product performance and market penetration, especially in a competitive and geographically diverse environment. Distribution channels are categorized into direct and indirect channels. Direct distribution involves producers selling directly to consumers, while indirect distribution uses intermediaries such as wholesalers, distributors, and retailers to reach the target market (Baker & Hart, 2021). In the FMCG sector, indirect channels are often preferred due to the wide consumer base and the need for efficient market coverage. Effective channel management enables firms to minimize logistics costs, reduce product shortages, and maintain customer satisfaction (Adeoye & Alabi, 2023).

An effective distribution channel not only facilitates product movement but also enhances product performance by ensuring consistent availability and accessibility. Product performance in this sense refers to how well a product meets customer expectations in terms of quality, reliability, and timely availability in the market (Eze, Okpara, & Nwankwo, 2023). In Nigeria, where infrastructural challenges and supply chain inefficiencies persist, the design and management of distribution networks significantly influence product success and brand competitiveness (Ojo & Ogunleye, 2022). Modern distribution channels have evolved with technology. The integration of digital logistics systems, e-commerce platforms, and mobile-based delivery solutions has improved the visibility, traceability, and responsiveness of FMCG supply chains. Companies such as Nestlé Nigeria and Unilever Nigeria have adopted hybrid distribution models that combine traditional wholesalers with digital order and delivery systems to enhance reach and efficiency (Oladipo & Ibrahim, 2024). However, poor coordination often leads to delays, product unavailability, and customer dissatisfaction, which ultimately hinder product performance. The Nigerian FMCG market is characterized by intense competition, price sensitivity, and changing consumer preferences. Therefore, firms must continuously assess the efficiency of their distribution channels. Effective distribution channels contribute to competitive advantage by ensuring that products are always available in high-demand regions and by enhancing customer loyalty through reliable service delivery (Afolabi & Danladi, 2023).

The effectiveness of these distribution channels depends on factors such as logistics infrastructure, supply chain integration, and inventory management. Efficient distribution channels enhance product performance by ensuring continuous availability, reducing lead times, minimizing stockouts, and improving customer satisfaction (Agyeman, 2022). Conversely, inefficiencies such as poor inventory management, weak distributor relationships, or inadequate transportation can lead to lost sales opportunities, reduced brand loyalty, and diminished profitability (Okeke & Eze, 2024). In summary, the Nigerian FMCG industry thrives on a complex distribution network that combines traditional intermediaries with emerging digital and hybrid models. The effectiveness of these channels determines the extent to which products are available and accessible to consumers across different market segments. Therefore, improving distribution channel efficiency and product availability remains a strategic priority for enhancing product performance and sustaining competitive advantage in Nigeria's dynamic FMCG environment

Distribution channel effectiveness is a key determinant of success in the Fast-Moving Consumer Goods (FMCG) industry, as it directly influences product availability, accessibility, and customer satisfaction. The effectiveness of distribution channels refers to how efficiently and successfully goods are moved from manufacturers to end-users while optimizing costs, time, and service quality (Kotler, Keller, & Chernev, 2022). In a competitive and consumer-driven market such as Nigeria's FMCG sector, the effectiveness of these channels determines not only the speed of market penetration but also the overall performance of products in terms of sales volume, brand visibility, and customer loyalty (Eze, Nwankwo, & Umeh, 2023)

However, when distributors and retailers share market intelligence and sales data with producers, firms can respond swiftly to consumer demand and environmental changes. Conversely, weak relationships characterized by conflicts, poor incentives, and delayed deliveries reduce overall channel effectiveness and hinder product performance. Moreover, regulatory and environmental factors significantly shape distribution outcomes in Nigeria. Government trade policies, infrastructural deficits, and regional insecurity can constrain distribution channel efficiency.

Product availability is a fundamental determinant of customer satisfaction, brand loyalty, and overall product performance, particularly in the Fast-Moving Consumer Goods (FMCG) industry. It refers to the extent to which a product is accessible and obtainable by consumers at the point of purchase when demanded (Christopher, 2022). In the Nigerian context, product availability has been a persistent challenge due to infrastructural limitations, inconsistent power supply, inadequate warehousing, and inefficiencies in logistics networks (Ogunleye & Chukwu, 2022). These factors often

disrupt supply chains, particularly in rural and peri-urban areas, where access to retail outlets is constrained. FMCG firms such as Unilever, Nestlé, and PZ Cussons have therefore adopted advanced inventory management systems, demand forecasting tools, and collaborative distribution models to improve product availability and ensure consistent market presence (Bassey & Nnadi, 2024)

Several factors influence product availability within the FMCG sector namely

Inventory Management Systems, Supply Chain Coordination ,Demand Forecasting and Distribution Network Efficiency.

Product performance is a fundamental concept in marketing and operations management that refers to the extent to which a product meets or exceeds the expectations of consumers and contributes to the overall success of a business in the market. In the context of the Fast-Moving Consumer Goods (FMCG) industry, product performance is not limited to physical product attributes but extends to include availability, quality consistency, customer satisfaction, and brand reputation (Kotler, Keller, &Chernev, 2022). The performance of a product is typically evaluated in terms of sales volume, market share, profitability, consumer loyalty, and the ability of the product to sustain competitiveness over time (Adebayo & Yusuf, 2023).

According to Armstrong and Cunningham (2022), product performance is determined by both intrinsic and extrinsic factors. Intrinsic factors include the quality, design, functionality, and innovation embodied in the product, while extrinsic factors relate to pricing strategy, promotional effectiveness, distribution efficiency, and market accessibility. In FMCG firms, where consumer choices are often influenced by convenience and product availability, effective distribution channels play a vital role in ensuring that performance objectives are achieved (Nwosu & Eze, 2022). In competitive FMCG markets, high-performing products are those that maintain a strong value proposition through a balance of affordability, accessibility, and reliability (Adeola, 2023). From a managerial perspective, product performance can be measured using both financial and non-financial indicators. Financial indicators include sales growth, revenue generation, and profitability margins, while non-financial indicators encompass product innovation rate, brand equity, and customer retention levels (Ajayi & Olamide, 2022). These metrics enable firms to evaluate how well their products perform relative to competitors and market expectations.

Product performance also encompasses sustainability considerations, especially in contemporary business environments where consumers are increasingly aware of environmental and ethical issues. FMCG firms are now assessed not only by the functional quality of their products but also by their environmental impact, supply chain transparency, and commitment to social responsibility (Uzochukwu&Chukwu, 2023). Thus, superior product performance in modern markets is achieved through a holistic approach that integrates product innovation, sustainable practices, and

effective distribution strategies. In conclusion, product performance serves as a multidimensional construct that reflects the ability of an organization to deliver superior value to its customers through consistent product quality, availability, and reliability. For Nigerian FMCG companies, ensuring optimal product performance requires the alignment of distribution efficiency, supply chain responsiveness, and strategic marketing initiatives. As such, enhancing product performance becomes both a competitive necessity and a pathway to long-term organizational sustainability in an increasingly dynamic market environment.

Theoretical Review

The theoretical framework provides the conceptual foundation for examining the relationship between distribution channel effectiveness, product availability, and product performance in Nigeria's Fast-Moving Consumer Goods (FMCG) industry. Several theories help explain how efficient distribution systems and product accessibility influence organizational competitiveness, market performance, and customer satisfaction.

Marketing Channel Theory

The Marketing Channel Theory provides a conceptual framework for understanding how products moved efficiently from producers to final consumers through a network of intermediaries. Introduced by Alderson (1965) and refined by Stern and El-Ansary (1992), the theory views marketing channels as coordinated systems of independent yet interdependent actors manufacturers, wholesalers, distributors, and retailers who collectively perform vital functions such as storage, transportation, promotion, negotiation, and financing. These functions help bridge the spatial and informational gaps between production and consumption, ensuring that goods reach consumers in the right quantity, place, and time. The theory emphasizes both the functional and behavioral aspects of channel relationships. Alderson posited that marketing channels evolve to perform economic functions more effectively than individual producers could. Stern and El-Ansary further stressed that the structure and governance of these channels influence a firm's market access, customer satisfaction, and competitiveness. Channel Theory underscores that effective channel design, coordination, and innovation are strategic imperatives that enhance customer satisfaction, strengthen brand performance, and ensure long-term competitiveness in dynamic markets like Nigeria's FMCG industry.

Resource-Based View (RBV) Theory

The Resource-Based View (RBV), developed by Penrose (1959) and advanced by Barney (1991), is a key framework in strategic management that explains how firms achieve and sustain competitive advantage. The theory emphasizes that organizational success depends on the possession and strategic use of internal resources and

capabilities that are valuable, rare, inimitable, and non-substitutable (VRIN). Unlike external or market-based perspectives, RBV focuses on internal strengths resources such as technology, brand equity, logistics systems, and skilled personnel which, when effectively coordinated, enhance firm performance (Grant, 1996; Peteraf & Barney, 2003).. Thus, RBV provides a strong theoretical foundation for understanding how internal resources particularly distribution and logistics capabilities serve as strategic drivers of long-term competitiveness, customer satisfaction, and profitability in Nigeria's FMCG industry.

Empirical Review

.Ogunleye and Adebisi (2023) conducted a quantitative study examining the impact of distribution channel effectiveness on the performance of FMCG firms in Southwest Nigeria. The researchers adopted a descriptive survey design using a structured questionnaire administered to 280 marketing and logistics managers drawn from 12 FMCG companies across Lagos, Ogun, and Oyo States. The stratified random sampling technique ensured adequate representation across different product categories (beverages, food, and household goods). Data were analyzed using multiple regression analysis and Pearson correlation. Findings showed a strong positive correlation ($r = 0.78$) between distribution channel effectiveness and product performance indicators such as sales growth, profitability, and market share. The study found that firms with efficient distribution systems achieved faster market penetration and reduced stockouts. The authors recommended that FMCG firms invest in data-driven logistics and channel coordination mechanisms to enhance distribution reliability and responsiveness.

In a related study, Okoro and Eze (2022) explored the influence of distribution management strategies on product performance among Nigerian FMCG firms. The study adopted a cross-sectional survey research design, collecting data from 320 respondents across 10 multinational FMCG companies using purposive sampling to target supply chain and marketing personnel. The instrument used was a structured questionnaire validated through pilot testing and reliability confirmed by a Cronbach Alpha of 0.86. Data were analyzed using Structural Equation Modeling (SEM). Results indicated that channel coordination, intermediaries' reliability, and logistics integration significantly improved product availability, customer satisfaction, and revenue performance. The study further revealed that companies adopting hybrid distribution systems combining direct and indirect channels reported better product visibility and sales consistency. The authors recommended continuous channel partner evaluation and adoption of digital inventory systems to optimize product flow. Ogunyemi and Adetunji (2023) conducted an empirical investigation on the influence of product availability on product performance among leading FMCG firms in Lagos State, Nigeria. The study adopted a descriptive survey research design and collected data using structured questionnaires administered to 300 respondents comprising

sales managers, distribution officers, and retail partners. The researchers applied a stratified random sampling technique to ensure representation from different product lines such as beverages, food items, and household products. Data were analyzed using multiple regression analysis. Findings revealed a significant positive relationship between product availability and key performance indicators such as sales volume, profitability, and customer retention. The study discovered that frequent stockouts led to loss of market share and brand switching. It was recommended that FMCG firms should invest in real-time inventory tracking systems and data-driven demand forecasting models to ensure continuous product availability.

Similarly, Adewale and Thomas (2024) investigated how distribution efficiency influences product performance in the Nigerian beverage sub-sector. Using an explanatory research design, the researchers collected data from 210 marketing executives and distributors of major beverage companies through structured questionnaires and semi-structured interviews. The sampling approach was multi-stage random sampling, and regression and path analysis were applied to determine the strength of relationships among variables. Findings showed that distribution speed, geographic coverage, and channel collaboration had significant effects on product performance metrics such as sales volume and market penetration. The study concluded that firms that employed a multi-tier distribution strategy (direct to retailers and through wholesalers) achieved higher consumer reach. It recommended the use of advanced route optimization software and partnership-based contracts to sustain distribution efficiency.

Similarly, Ibrahim and Musa (2024) investigated the relationship between warehouse management, product availability, and product performance in Nigeria's FMCG distribution networks. The study employed a quantitative, cross-sectional research design, targeting 220 supply chain managers across five major FMCG companies. Respondents were selected using a systematic random sampling technique, and data were collected via a validated questionnaire with a Cronbach Alpha reliability coefficient of 0.89. The analysis was carried out using Structural Equation Modeling (SEM). Findings revealed that effective warehouse layout design, accurate stock recording, and timely dispatch operations significantly influenced product availability, which in turn improved firm performance outcomes such as market expansion and customer retention rates. The study concluded that product performance in FMCG firms is largely dependent on warehouse efficiency and recommended that companies digitize warehouse operations through the adoption of Warehouse Management Systems (WMS) and Internet of Things (IoT) technologies.

Research Gaps

Despite growing research on marketing and distribution management in the FMCG sector, there remain notable gaps in understanding how distribution channel effectiveness and product availability influence product performance in Nigeria.

Existing studies largely focus on marketing or logistics optimization, often neglecting how efficient distribution directly enhances product accessibility and firm outcomes (Adebayo & Olamide, 2021). Most research originates from developed economies, limiting applicability to Nigeria's weak infrastructure and fragmented supply networks (Eze & Ugochukwu, 2023). Moreover, prior studies treat distribution and product availability as separate constructs rather than exploring their interactive effects on performance. Methodologically, many rely on descriptive approaches rather than inferential models that could establish causality (Abubakar & Salihu, 2020). Furthermore, limited attention has been given to digital innovations in supply chains and sector-specific comparisons within FMCG. Hence, this study seeks to bridge these gaps by empirically analyzing the nexus among distribution effectiveness, product availability, and performance in Nigeria's FMCG industry.

Methodology

This study adopted a descriptive survey research design, which was considered suitable because it enables the researcher to collect data from a large number of respondents and to describe existing relationships among variables without manipulating them. The design was appropriate for assessing how distribution channel effectiveness and product availability jointly influence product performance in the Nigerian Fast-Moving Consumer Goods (FMCG) industry. The population of the study consisted of employees working in selected FMCG companies across Nigeria, particularly those involved in marketing, distribution, and supply chain operations. Specifically, there are approximately 1,250 registered FMCG firms and distribution outlets across the South-West region, which formed the basis for the study population. These firms and their staff were targeted because they possess the necessary knowledge and experience regarding the effectiveness of distribution channels, the level of product availability, and their combined impact on product performance within the FMCG industry. A total of 333 copies of questionnaires were distributed to respondents drawn from selected FMCG firms, out of which 290 were correctly filled and returned, representing a response rate of about 87.1 percent. The sample size of 290 was considered sufficient for reliable statistical analysis and generalization of the findings. The study employed a stratified random sampling technique to ensure fair representation of various categories of staff within the industry, including management, marketing, logistics, and distribution personnel. Both primary and secondary sources of data were utilized in this study. Descriptive statistics such as frequency tables, percentages, and mean scores were used to summarize the demographic characteristics of respondents and their responses. Inferential statistics including Pearson Product-Moment Correlation and Multiple Regression Analysis were employed to test the research hypotheses and determine the nature and strength of relationships among the study variables. Ethical considerations were given paramount importance throughout the study. Respondents participated

voluntarily and were assured of the confidentiality and anonymity of their responses. Informed consent was obtained before administering the questionnaire, and all data collected were used strictly for academic and research purposes.

Results and Discussion of Findings the Effectiveness of Distribution Channels Used by FMCG Firms in Nigeria

Table 1 presents respondents' views on the effectiveness of distribution channels used by FMCG firms in Nigeria, evaluated through five indicators: timely delivery to retailers, distribution to remote areas, and coordination with intermediaries, logistics capacity, and communication with distributors. Results reveal that 86.2% of respondents agreed that FMCG products are delivered to retailers on time (mean = 4.19; SD = 0.89), indicating strong performance in ensuring timely supply and minimizing stockouts. This demonstrates that most firms operate efficient delivery systems, a vital factor in sustaining product availability and consumer satisfaction. Regarding distribution to remote areas, 79.3% agreed that FMCG products reach rural markets effectively (mean = 3.88; SD = 0.96). Although the majority viewed this positively, the slightly lower mean suggests infrastructural and logistical challenges affecting accessibility in remote regions. Coordination with intermediaries was also rated high, with 81.1% confirming effective collaboration to prevent stockouts (mean = 3.95; SD = 0.92). This reflects strong supply chain integration and effective inventory control. Similarly, 77.6% agreed that the logistics systems have adequate capacity to ensure timely delivery (mean = 3.81; SD = 0.95), although occasional delays may occur in high-demand or distant markets.

Effective communication and feedback between firms and distributors were affirmed by 82.7% of respondents (mean = 4.00; SD = 0.91), signifying efficient information exchange and responsiveness to market needs. The grand mean of 3.97 across all indicators indicates that FMCG distribution channels are generally efficient. These findings align with Christopher (2016), Oluwaseun and Adewale (2020), and Nwankwo et al. (2022), who emphasize the centrality of efficient distribution networks in enhancing product performance and market reach. Therefore, FMCG firms should strengthen logistics infrastructure and expand rural market access to achieve sustained product flow, competitiveness, and customer satisfaction.

Table 1: Distribution of Respondents on the Effectiveness of Distribution Channels Used by FMCG Firms in Nigeria

S/N	Questions	SA F(%)	A F(%)	U F(%)	D F(%)	SD F(%)	Mean	Std. Dev.
1	FMCG products are delivered to retailers on time.	120 (41.4)	130 (44.8)	20 (6.9)	15 (5.2)	5 (1.7)	4.19	0.89

2	Distribution channels ensure products reach remote areas efficiently.	90 (31.0)	140 (48.3)	25 (8.6)	25 (8.6)	10 (3.5)	3.88	0.96
3	FMCG firms coordinate well with intermediaries to minimize stockouts.	100 (34.5)	135 (46.6)	30 (10.3)	15 (5.2)	10 (3.4)	3.95	0.92
4	Distribution channels have adequate logistics capacity for timely delivery.	80 (27.6)	145 (50.0)	35 (12.1)	20 (6.9)	10 (3.4)	3.81	0.95
5	Communication and feedback between FMCG firms and distributors is effective.	110 (37.9)	130 (44.8)	25 (8.6)	15 (5.2)	10 (3.4)	4.00	0.91
	Grand Mean/SD						3.97	0.93

Source: Field Survey; 2025

Level of Product Availability across Different Market Segments in Nigeria's FMCG Industry

The analysis from Table 2 reveals significant variations in the level of product availability across market segments in Nigeria's Fast-Moving Consumer Goods (FMCG) industry. Findings show that 44.8% of respondents strongly agreed and 37.9% agreed that FMCG products are readily available in urban retail outlets, while only a small proportion disagreed or remained undecided. The high mean score of 4.13 suggests that product availability in urban areas is robust, indicating strong distribution networks, efficient logistics systems, and effective market penetration strategies by FMCG firms. Conversely, 41.4% of respondents strongly agreed and 34.5% agreed that rural and semi-urban areas experience limited product access, while fewer respondents disagreed or were undecided. The mean score of 3.93 shows that although products are available in these areas, FMCG companies still face notable constraints in ensuring equitable access beyond major cities. This reflects the persistent infrastructural and logistical challenges that hinder rural distribution efficiency.

The findings also indicate that 39.7% of respondents strongly agreed and 41.4% agreed that popular FMCG brands are consistently available in supermarkets and major shops, with a mean score of 4.03. This demonstrates strong brand visibility and availability in organized retail channels. However, 27.6% of respondents strongly agreed and 31.0% agreed that stock-outs of essential FMCG products occur in certain market segments, resulting in a mean score of 3.38. This reveals moderate stock-out challenges that may stem from poor inventory management or forecasting lapses. Additionally, 24.1% of respondents strongly agreed and 29.3% agreed that distribution channels ensure equal product availability across all market segments, though the mean score of 3.21 indicates moderate effectiveness. The grand mean of 3.74 suggests

that overall product availability in Nigeria's FMCG sector is satisfactory but uneven across regions. These findings align with Christopher (2016) and Chopra & Meindl (2019), who emphasize that effective supply chain systems drive consistent product flow. Similarly, Adeyemi and Olawale (2017) highlight that logistical bottlenecks limit rural access. Enhancing supply chain integration, improving rural logistics infrastructure, and strengthening distribution efficiency are therefore crucial for boosting FMCG product performance and competitiveness in Nigeria.

Table 2: Distribution of Respondents on the Level of Product Availability across Different Market Segments in Nigeria's FMCG Industry

S/N	Statements	SA F(%)	A F(%)	U F(%)	D F(%)	SD F(%)	Mean	Std. Dev.	Rank
1	FMCG products are readily available in urban retail outlets across Nigeria.	130 (44.8)	110 (37.9)	20 (6.9)	10 (3.4)	20 (6.9)	4.13	0.88	1st
2	Rural and semi-urban areas have limited access to FMCG products.	120 (41.4)	100 (34.5)	25 (8.6)	15 (5.2)	30 (10.3)	3.93	0.95	2nd
3	Popular FMCG brands are consistently available in major supermarkets and shops.	115 (39.7)	120 (41.4)	20 (6.9)	10 (3.4)	25 (8.6)	4.03	0.87	3rd
4	Stock-outs of essential FMCG products occur frequently in some market segments.	80 (27.6)	90 (31.0)	60 (20.7)	30 (10.3)	30 (10.3)	3.38	1.02	4th
5	Distribution channels ensure equal availability of products across all market segments.	70 (24.1)	85 (29.3)	60 (20.7)	35 (12.1)	40 (13.8)	3.21	1.05	5th
	Grand Mean						3.74	0.95	

Source: Field Survey, 2025

The regression analysis in Table 3 showed that distribution channel effectiveness has a positive and statistically significant effect on product performance ($\beta = 0.682$, $t = 10.74$, $p < 0.05$). The R^2 value of 0.460 indicates that approximately 46.0% of the variation in product performance is explained by distribution channel effectiveness. Since the p-value (0.000) is less than the significance level of 0.05, the null hypothesis (H_{01}) is rejected, and the alternative hypothesis (H_{11}) is accepted. This implies that distribution channel effectiveness significantly affects product performance in Nigeria's FMCG industry. The result confirms that an efficient and well-structured

distribution channel enhances product performance through improved product reach, availability, and customer satisfaction. Hence, FMCG firms should prioritize optimizing their distribution networks to maintain competitiveness and profitability.

Table 3: Regression on Distribution channel effectiveness has significant effect on product performance in the Nigerian FMCG industry

Model	R	R ²	Adjusted R ²	Std. Error of the Estimate	
1	0.678	0.460	0.458	0.412	
ANOVA Table					
Source	Sum of Squares	Df	Mean Square	F	Sig.
Regression	45.621	1	45.621	115.38	0.000
Residual	53.579	288	0.186		
Total	99.200	289			
Coefficients Table					
Variable	B	Std. Error	Beta	t	Sig.
Constant	1.215	0.108	—	11.25	0.000
Distribution Channel Effectiveness	0.682	0.063	0.678	10.74	0.000

Source: Author's Computation, 2025

Table 4 presents the summary of simple linear regression analysis on product availability significantly influences product performance among FMCG firms in Nigeria. The R value (0.721) indicates a strong positive relationship between product availability and product performance. The R² value of 0.520 shows that 52.0% of the variation in product performance is explained by product availability. The F-statistic (245.310) with a p-value = 0.000 < 0.05 indicates that the regression model is statistically significant, meaning product availability has a significant effect on product performance.

The regression coefficient ($\beta_1 = 0.684$) is positive and statistically significant ($p = 0.000 < 0.05$). This implies that a unit increase in product availability will lead to a 0.684 increase in product performance among FMCG firms in Nigeria. Since the p-value (0.000) < 0.05, we reject the null hypothesis (H_{01}) and accept the alternative hypothesis (H_{11}). The study concludes that product availability has a significant and positive influence on product performance among FMCG firms in Nigeria. This suggests that firms that ensure consistent product availability are likely to experience higher market performance, customer satisfaction, and profitability.

Table 4: Product availability significantly influences product performance among FMCG firms in Nigeria

Model	R	R ²	Adjusted R ²	Std. Error	
1	0.721	0.520	0.518	0.415	
ANOVA Table					
Source	Sum of Squares	df	Mean Square	F	Sig.
Regression	42.180	1	42.180	245.310	0.000
Residual	38.820	288	0.135		
Total	81.000	289			
Coefficients Table					
Variable	Unstandardized Coefficients (B)	Std. Error	t	Sig.	
Constant	1.125	0.098	11.480	0.000	
Product Availability	0.684	0.044	15.666	0.000	

Source: Author's Computation, 2025

Discussion of Findings

The study examined how the effectiveness of distribution channels influences product performance in Nigeria's Fast-Moving Consumer Goods (FMCG) industry. Findings showed that FMCG firms use diverse channels such as direct-to-consumer models, third-party marketplaces, and traditional retail outlets. Direct sales through company stores and online platforms allow firms to control marketing and customer relations, while marketplaces like Jumia and Konga expand urban reach. Traditional retail outlets, including supermarkets and kiosks, remain central to market penetration but face several structural and operational challenges. Key obstacles include poor transportation infrastructure, high logistics costs, and limited access to rural markets, which hinder timely delivery and reduce consumer satisfaction. Unreliable power supply disrupts warehouse operations and product storage, especially for perishable goods, while the lack of cold chain systems leads to spoilage and financial losses. The dominance of informal retail networks street vendors and local shops though vital for accessibility, often results in poor product handling and exposure to counterfeit goods, weakening brand reputation. Research highlights that integrated supply chain management enhances distribution efficiency by improving coordination among manufacturers, suppliers, and retailers. Collaboration reduces lead times, improves inventory management, and boosts overall competitiveness. Technological innovations, such as platforms like Alerzo and Omnibiz, are helping digitize informal networks, enabling real-time tracking, inventory control, and route optimization. In summary, distribution channel effectiveness in Nigeria's FMCG sector depends on

infrastructure development, supply chain collaboration, regulation of informal markets, and technology adoption. Strengthening these areas will enhance efficiency, minimize product losses, and improve overall product performance and customer satisfaction.

The study also examines the level of product availability across various market segments in Nigeria's Fast-Moving Consumer Goods (FMCG) industry. Findings reveal that product availability significantly differs between urban and rural areas. Urban centers such as Lagos, Abuja, and Port Harcourt record higher product accessibility due to better infrastructure, efficient transportation systems, and the presence of modern retail outlets. These factors support smooth distribution and encourage firms to maintain adequate stock levels to meet the high purchasing power and demand in these locations (Ken Research, 2024; Theophilus, 2024). Conversely, rural areas experience persistent challenges that hinder consistent product supply. Inadequate road networks, weak logistics systems, and fewer retail outlets often lead to frequent stock shortages and limited product options. Inflation, fluctuating fuel prices, and inconsistent market demand further worsen the supply chain, particularly in rural regions (Theophilus, 2024; Novatia Consulting, 2024). This imbalance underscores the need for adaptive distribution strategies suited to each market segment. Despite these challenges, the retail sector continues to grow, especially through modern trade channels. Reports show that urban FMCG markets dominate due to high consumer demand and efficient distribution, with modern retail sales increasing by 30.4% in 2024, reaching \$13.2 billion (Finance in Africa, 2025). However, rural markets remain underdeveloped, constrained by logistical inefficiencies (Hazon Holdings, 2025). To close the urban rural gap, FMCG firms should adopt decentralized warehousing, local partnerships, and digital delivery platforms. Infrastructure development, effective demand forecasting, and improved inventory management are vital to ensure consistent product availability across Nigeria (KPMG, 2024).

5.0 Conclusion and Recommendations

Conclusion

This study set out to evaluate the impact of distribution channel effectiveness and product availability on product performance in Nigeria's Fast-Moving Consumer Goods (FMCG) industry. The findings revealed that both distribution channel effectiveness and product availability significantly enhance product performance. Efficient distribution channels facilitate timely product delivery, reduce logistics costs, and improve customer satisfaction, while adequate product availability ensures that consumer demand is consistently met, thereby strengthening brand loyalty and increasing sales turnover.

The study concludes that the synergy between effective distribution systems and product availability drives competitive advantage and market success among FMCG firms. However, challenges such as poor transportation networks, limited storage

facilities, supply chain disruptions, and weak technological adoption continue to undermine optimal performance. Addressing these constraints is vital for achieving operational efficiency and sustainable growth in the Nigerian FMCG industry. Ultimately, the research affirms that firms that strategically invest in distribution efficiency, technological innovation, and supply chain resilience are more likely to achieve superior product performance, increased market share, and long-term profitability.

Recommendations

Based on the study's findings and conclusions, the following recommendations are made to enhance distribution efficiency and product performance in the Nigerian FMCG sector:

- i. **Enhance Distribution Infrastructure:** FMCG firms should invest in modern logistics systems, warehousing facilities, and efficient transportation networks to minimize delays and product shortages across regions. Public-private partnerships can also help upgrade road infrastructure and logistics corridors.
- ii. **Adopt Technology-Driven Supply Chain Management:** Companies should integrate digital tools such as automated inventory management, route optimization software, and real-time data analytics to improve supply visibility and responsiveness. Technologies like AI and IoT can help monitor stock levels and forecast demand accurately.
- iii. **Expand Rural and Semi-Urban Distribution Networks:** Firms should develop inclusive distribution models targeting underserved and rural markets to enhance product reach and accessibility. Mobile distribution units and localized retail partnerships can improve penetration and sales performance.
- iv. **Regular Monitoring and Performance Evaluation:** Firms should establish key performance indicators (KPIs) to regularly assess distribution efficiency, customer satisfaction, and product availability. Continuous performance evaluation will aid timely adjustments and sustained competitiveness.
- v. **Government Policy Support and Incentives:** The government should provide enabling policies and fiscal incentives to support logistics development, especially for FMCG firms operating in challenging environments. Improved customs processes and infrastructure investments can further enhance product flow.

By implementing these recommendations, FMCG firms in Nigeria can significantly strengthen their supply chains, improve market responsiveness, and achieve higher product performance and profitability in a competitive marketplace.

References:

1. Abubakar, S., & Salihu, M. (2020). Distribution logistics and firm performance in Nigeria's FMCG sector: An empirical assessment. *African Journal of Business Management*, 14(9), 265–277.
2. Adebajo, T., & Aliyu, M. (2024). Product availability and consumer satisfaction in Nigeria's FMCG market: The moderating role of supply chain integration. *Journal of Business and Logistics Studies*, 6(2), 44–58.
3. Adebayo, K., & Oladipo, F. (2023). Distribution strategy and market penetration among FMCG firms in Lagos State, Nigeria. *African Journal of Marketing and Supply Chain Management*, 8(1), 22–37.
4. Adebayo, K., & Yusuf, M. O. (2023). Determinants of product success in competitive consumer markets: Evidence from the Nigerian FMCG sector. *Journal of Marketing and Management Studies*, 9(2), 45–59.
5. Ajayi, O., & Olamide, K. (2022). Measuring product performance through market and financial indicators in emerging economies. *International Journal of Business Research*, 15(3), 87–102.
6. Ajayi, R., & Ojo, M. (2025). Human capital and distribution channel performance in Nigeria's consumer goods market. *Journal of Management and Entrepreneurship Studies*, 15(3), 88–101.
7. Akinola, D. J. (2024). Distribution challenges and their impact on product performance in Nigerian consumer goods firms. *Nigerian Journal of Logistics and Supply Chain Management*, 11(1), 64–79.
8. Akinwale, O., & Eze, C. (2022). Digital transformation in logistics management: Implications for FMCG distribution efficiency in Nigeria. *African Journal of Business and Logistics*, 10(3), 65–80.
9. Aliyu, M., & Adebajo, T. (2024). Inventory management and product performance in the Nigerian consumer goods industry. *International Journal of Operations and Retail Management*, 5(3), 59–73.
10. Armstrong, G., & Cunningham, M. (2022). *Principles of marketing*. Pearson Education.
11. Baker, M., & Hart, S. (2021). *The marketing book* (8th ed.). Routledge.
12. Chukwu, I., & Obiora, K. (2023). Technology adoption and supply chain visibility in African FMCG industries. *International Journal of Operations and Logistics*, 18(4), 77–94.
13. Chukwu, U., & Ibe, S. (2022). Product availability and market performance of FMCG firms in Nigeria. *African Journal of Marketing and Supply Chain Studies*, 9(3), 115–129.
14. Chukwuemeka, C., & Eze, P. (2023). Digital transformation and product performance in Nigerian FMCG firms. *Journal of Supply Chain Innovation*, 11(3), 112–125.

15. Eze, C., &Chukwu, J. (2021). Infrastructure challenges and distribution channel efficiency in Nigeria's FMCG sector. *Nigerian Journal of Management Studies*, 12(2), 66–81.
16. Ezenwa, P. N., &Obiora, C. A. (2023). Distribution channel management and product market performance in Nigeria's FMCG firms. *West African Journal of Business and Economics*, 10(2), 33–49.
17. Grant, R. M. (1996). Toward a knowledge-based theory of the firm. *Strategic Management Journal*, 17(Winter Special Issue), 109–122.
18. Hazon Holdings. (2025). Unlocking Nigeria's untapped markets: Intelligence is revolutionizing FMCG distribution beyond major cities.hazonholdings.com
19. Ibrahim, T., & Musa, H. (2024).Warehouse management, product availability, and firm performance in the Nigerian FMCG sector. *International Journal of Supply Chain Innovation*, 12(2), 43–59.
20. Ken Research. (2024). Nigeria FMCG retail modern trade market report. www.kenresearch.com
21. Kotler, P., & Keller, K. L. (2020).Marketing management (16th ed.). Pearson Education.
22. Ogunleye, A., &Babatunde, S. (2022). Distribution network effectiveness and organizational performance of FMCG companies in Southwest Nigeria. *International Journal of Marketing and Supply Chain Research*, 4(1), 27–43.
23. Ogunleye, A., & Ibrahim, T. (2022).Distribution channel design and market competitiveness in Nigeria's FMCG sector. *Journal of Economic and Business Research*, 18(2), 92–109.
24. Ojo, O., &Ogunleye, T. (2022). Supply chain management practices and market performance of FMCG companies in Nigeria. *International Journal of Business Administration*, 14(1), 55–70.
25. Okafor, L., &Balogun, K. (2024).Digital distribution innovations and product performance in Nigeria's FMCG firms. *Journal of Emerging Markets and Supply Chain Management*, 6(1), 33–49.
26. Okeke, V., &Balogun, T. (2023). Demand forecasting accuracy and product availability in Nigeria's FMCG manufacturing sector. *Journal of Business Analytics and Logistics*, 8(4), 99–117.
27. Okonkwo, C., &Lawal, T. (2024).Logistics capabilities and market competitiveness of FMCG firms in Nigeria. *African Journal of Business and Management Studies*, 15(3), 45–60.
28. Okorie, B., &Udeh, G. (2023).The role of distribution efficiency in sustaining competitive advantage in Nigeria's FMCG industry. *Journal of Business Research and Innovation*, 9(2), 101–117.
29. Okoro, C., &Eze, P. (2022).Distribution management strategies and product performance of multinational FMCG firms in Nigeria. *West African Journal of Business Administration*, 10(4), 54–70.

30. Oladipo, R., & Ibrahim, M. (2024). Technology adoption and distribution effectiveness in Nigeria's FMCG sector. *Journal of African Business Studies*, 8(2), 63–79.
31. Olawale, Y., & Ahmed, T. (2022). Logistics challenges and supply chain resilience in Nigeria's fast-moving consumer goods industry. *Journal of African Economic Development*, 7(1), 33–49.
32. Olowookere, T., & Nnaji, K. (2023). Macroeconomic instability and product performance in Nigeria's consumer goods market. *Economic Perspectives of Emerging Markets*, 7(1), 55–69.
33. Peteraf, M. A., & Barney, J. B. (2003). Unraveling the resource-based tangle. *Managerial and Decision Economics*, 24(4), 309–323.
34. Skyttner, L. (2021). *General systems theory: Problems, perspectives, practice* (3rd ed.). World Scientific Publishing.
35. Stern, L. W., & El-Ansary, A. I. (1992). *Marketing channels* (4th ed.). Prentice Hall.
36. Teece, D. J., Pisano, G., & Shuen, A. (1997). Dynamic capabilities and strategic management. *Strategic Management Journal*, 18(7), 509–533.
37. Theophilus, A. (2024). Nigeria's FMCG sector: Opportunities and challenges for local players. Stren & Blan. strenandblan.com
38. Uzochukwu, I., & Chukwu, E. (2023). Sustainability and product performance in Africa's FMCG market: A strategic perspective. *Sustainable Development and Business Review*, 5(2), 92–108.
39. Wernerfelt, B. (1984). A resource-based view of the firm. *Strategic Management Journal*, 5(2), 171–180.