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DISTRIBUTIONAL STRATEGIES AND PERFORMANCE OFMANUFACTURING FIRMS IN IKEJA

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Abstract

Distribution plays a great role within the marketing mix. A good distribution strategy can maximize an organization's revenue and profits but a bad and unplanned distribution strategy can lead to losses. In view of the cruciality of distributional strategy to the performance of manufacturing firms, this study focuses on distributional strategy and performance of manufacturing firms in Ikeja, Lagos state. The aim of the study is to investigate the relationship between the distribution strategies and the performance of manufacturing firms in Ikeja, Lagos State-Nigeria. The study adopts survey design. A sample of 234 respondents cutting across relevant departments of the selected firms was chosen out of which 205 respondents returned their questionnaires for analysis. The collected data was analysed using descriptive statistics in the form of percentages and inferential statistics in the forms of Pearson Moment Correlation and simple regression analysis with significance level of 0.05 to test the hypotheses. From the findings of the study, intensive, selective and exclusive distribution strategies have a statistically significant positive correlation with firms' performance. It concludes that there is positive relationship between distribution strategies and the performance of manufacturing firms in Ikeja, Lagos State-Nigeria. The study recommends that manufacturing firms in Ikeja area should invest more on the usage of the distribution strategies since they have the capacity of improving their performance.

Key words: *Distributional strategy, Exclusive distribution, Intensive distribution, Performance, Selective distribution.*

1. Introduction

Distribution is the process of planning, implementing and controlling the physical flow of materials, final goods and related information from point of origin to point of consumption to meet customer requirements at a profit. It is the marketing function responsible for movement of products to the final users. Any manufacturing industry does not consume its product on its own; hence there is need for distribution. Developing successful strategy in distribution in today's competitive environment is a complex undertaking. Market globalization and deregulation have intensified competitive rivalry and motivated manufacturers to re-examine their current strategies and their inability to address current challenges and opportunities (Fred, 2012; Elias, Leonard & Shiva, 2018). According to Porter (2010), organizational competitive advantage can be achieved if the firm implements a value – creating strategy that is not simultaneously being implemented by any current or potential competitors. This can be interpreted to mean that sustained competitive advantage results from strategic assets, which Barney (2012) regards as those that internally controlled and permits the firm to formulate and implement strategies that expand its efficiency and effectiveness.

The success of any product in the competitive market depends largely on the sales and marketing effort of such organization and the success or failure of any manufacturing industry depends on the expected final consumer. To be more specific, the effective distribution of product to the pre-determined potential consumer is very important to the continued existence of any manufacturing industry. In a nutshell for manufacturing industry to flourish and survive, it must have an effective medium of distribution. Hence, effective distribution is the life wire of every manufacturing industry. An industry without effective distribution is like the creation of man without the breath of life (Nyambura, 2018).

Companies think being the highest market share holder is enough, forgetting that competitors are seeking loopholes and putting in efforts to attain the market leadership and drive the large companies out of the market if possible. For many years, companies have been giving the least attention to the issues related to distribution. However, nowadays, they start realizing that the efficient distribution strategy formulation is vital to the success and survival of any organization (Cateora & Graham, 2011).

Despite the unlimited benefit that is derived from the use of effective distribution through the channel of distribution by manufacturing organizations, they are still faced with some problems. Firms have adopted different distribution strategies in order to solve these problems and maintain their market leadership, but their efforts have not yielded the desired outcome as poor performance still remains a common menace that most manufacturing companies face (El – Ansary, 2012).

Similarly, a lot of research efforts have been directed towards explaining the relationship between effective distribution and firms' performance (Chand, 2012; Kim, 2013; Bhasin, 2017; Hitesh, 2017), thus, underscoring the necessity of effective distribution in the production process. These research works, however, focused on different aspects of distribution such as the effect of distribution management on performance (Nyambura, 2018); exclusive dealing and competition (Zenger, 2010); marketing strategy and business performance (Gbolagade, Adesola & Oyewale, 2013). From these previous works, examination of the nexus between distribution strategies and performance has received a modicum of research attention. Histesh (2017) has discussed extensively such distribution strategies as indirect distribution strategy, direct distribution strategy, intensive distribution strategy, exclusive distribution strategy, and selective distribution strategy. However, the lack of uniformity in the findings of previous studies with respect to the relationships that exist between these distribution strategies and performance of firms and the inconclusiveness in some of the studies (Weeds, 2014) constitute the gaps existing in previous literature which the current study was set out to fill.

Based on the review of literature carried out in which selective, intensive and exclusive distribution strategies were used in most of the studies but with conflicting results (Yeboah, Owusu, Boakye & Mensah, 2013; Hitesh, 2017; Volker & Patrick, 2018). This study will be of great benefit to marketing firms who wish to improve on their sales performance, owners of businesses that engage in distribution as well as researchers in this field.

The main aim of the study is to investigate the relationship between the distribution strategies and the performance of manufacturing firms in Ikeja, Lagos State-Nigeria. The specific objectives of the study are to:

a. Examine the relationship between intensive distribution strategy and the performance of manufacturing organizations in Ikeja, Lagos State-Nigeria.
b. Investigate the relationship between exclusive distribution strategy and the performance of manufacturing organizations in Ikeja, Lagos State-Nigeria.
c. Explore the relationship between selective distribution strategy and the performance of manufacturing organizations in Ikeja, Lagos State-Nigeria.

The following hypotheses are put forward for testing.

H_{01}: Intensive distribution strategy has no significant relationship with the performance of manufacturing organizations in Ikeja, Lagos State-Nigeria.

H_{02}: There is no significant relationship between exclusive distribution and the performance of manufacturing organizations in Ikeja, Lagos State-Nigeria.

H_{03}: There is no significant relationship between selective distribution strategy and the performance of manufacturing organizations in Ikeja, Lagos State-Nigeria.

2. Literature Review and Theory

2.1 Conceptual Review of Literature

This section attempts to review definitions of the study variables. John (2010) defines performance as the process of analyzing a company's performance against its objectives and goals. It comprises real results or outputs compared with intended outputs. Islam, Khan & Obaidullah (2011) opine that performance is a set of measurement analytical process that enables the management of an organisation to achieve one or more pre-selected goals which involves profitability and growth rate. Sanberg, Vinberg & Pan (2002) as cited in Moorshy, Tan, Choo, Chang & Leong (2002) see performance as the capability of firms to create employment and wealth. For the purpose of this study, the definition of Islam *et al.* (2011) is used in view of its relevance to this study.

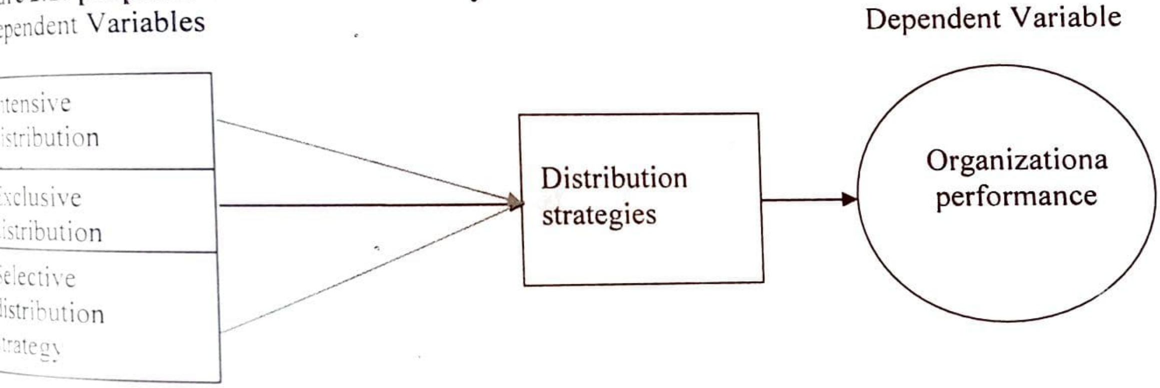
Researchers have identified a number of distribution strategies usually employed by firms in the distribution of their products. These include intensive distribution, selective distribution and exclusive distribution strategies (Chand, 2012; Yeboah *et al*, 2013; Weeds, 2014; Hitesh, 2017; Volker & Patrick, 2018). Intensive distribution aims to provide saturation coverage of the market by using all available outlets. For many products, total sales are directly linked to the number of outlets used. Intensive distribution is usually required where customers have a range of acceptable brands to choose from. In other words, if one brand is not available, a customer will choose another (Chand, 2012). The idea is that by placing the products into as many markets as possible, customers has easy access to the products. The primary focus of intensive distribution is not necessarily on customer demographics when making a choice about where products should be distributed. Besides having a target customer in mind, a company will also identify places that are frequently visited by customers and make its products available in such places. The intensive strategy of distributing products, when successful, can have a profound positive effect on the sales of a product (Yeboah *et al.*, 2013).

Exclusive distribution, on the other hand, is an extreme form of selective distribution in which only one wholesaler, retailer or distributor is used in a specific geographical area. When the firm

...utes its brand through just one or two major outlets in the market, who exclusively deal in it ...ot all competing brands, it is said that the firm is using an extensive distribution strategy ...d. 2012; Hitesh, 2017). This is s common form of distribution in products and brands that ...high prestigious image. By granting exclusive distribution rights, the manufacturer hopes ...e control over the intermediaries' price, promotion, credit inventory and service policies. ...irm also hopes to get the benefit of aggressive selling by such outlets. It involves limiting ...bution to a single outlet. The product is usually high priced and requires the intermediary to ...much detail in its sell (Hitesh, 2017). According to Mitchels (2009) and Weeds (2014), ...h, exclusive distribution strategy could be difficult to pull off, it offers a wide range of benefit ...successful which include: market power, products, and distribution.

...tive distribution involves a producer using limited number of outlets in a geographical area ...l products. An advantage of this approach is that the producer can choose the most appropriate ...st performing outlets and focus effort on them. Selective distribution can help manufacturer ...optimum market coverage and more control but at a lesser cost than intensive distribution. ...existing and new firms are known to use this alternative (Chand, 2012). Based on extensive ...w of relevant literature, intensive, exclusive and selective distribution strategies have been ...d to be common dimensions or concepts that are usually discussed in relation to distribution ...egies (Yeboah *et al.*, 2013; Volker & Patrick, 2018). This study has brought them together to ...a conceptual framework which guided the review of literature as shown below.

...re 2.1: **proposed Model for the Study**



...rce: (Researchers' Illustration, 2018)

...e concept of strategy has been borrowed from the military and adapted for use in business. ...ategy is a term that comes from the Greek "strategia" meaning "generalship" (Fred, 2012). ...ategy is that which top management does that is of great importance to the organization. ...ategy answers the question; what are the ends we seek and how should we achieve them? ...ategy is position; that is, it reflects decisions to offer particular products or services in particular ...rkets (Steiner, 2011).

...tribution strategy, therefore, is a strategy or plan to make a product or a service available to the ...get customers through its supply chain. It is a plan created by the management of a manufacturing business that specifies how the firm intends to transfer its products to intermediaries, retailers and end consumers (Marketing & Strategy Terms, 2017).

Distribution strategy designs the entire approach for availability of the offering starting taking inputs from what the company communicated in marketing campaigns to what target audience is to be served. It is precisely the strategy deployed by a company to make sure the product/service can reach the maximum potential customers at minimal or optimal distribution costs. A good distribution strategy can maximize an organization's revenue and profits but a bad and unplanned distribution strategy can lead not only to losses but also helping the competitors get the advantage through the opportunity in the market which the organization might have created (Alijosiene, 2010). Kotler (2010) states that distribution strategies differ variously depending on the available industry, country of production, Area of production, available clients and as well the way companies offer the value of their products and services which will in long run determine their performance. Yeboah *et al.* (2013) in their contribution opined that the best distribution strategy depends on the target market and the operational environment and that it requires a high degree of management skill, synchronization and integration with the overall organization objective as it will be one of the major components in achieving a sustainable competitive advantage.

The purpose of a distribution strategy is to make the right quantities of the right product/service available at the right place, at the right time. What make distribution strategy unique relative to the other marketing mix decisions is that it has been almost entirely dependent on physical location (Kim, 2013). Efficient and effective distribution is important if the organization is to meet its overall marketing objectives. If an organization underestimates demand, profitability will be affected (Gudonaviciene, 2012).

2.2 Empirical Review of Literature

The relationship between distribution and firm performance has been researched by many scholars (Oladun, 2012; Rose, 2012; Emmanuel, 2008; Nyanbura, 2018; Elias *et al.*, 2018). While Oladun (2012) found that distribution strategy has negative impact on organization performance. Rose (2012), Emmanuel (2008), and Nyanbura (2018) found that distribution strategy has a statistically significant positive relationship with the performance of firms.

The studies of Brown (2013), Stennek (2014) and Elias *et al.* (2018) revealed that exclusive distribution may give firms incentives to invest higher and, as a result, force competitors to reduce their prices thereby enhancing performance. Similarly, Yeboah *et al.* (2013) and Ayanyemi (2013) have also revealed in their studies that intensive, selective and exclusive distribution strategies have positive relationship with firm performance. Ayanyemi (2013) in particular, concluded that distribution strategy must be developed for each product because better distribution strategy can make a product to gain ground in various target markets.

Brown (2013) also researched the Impact of distribution strategy on the sales of a company's product or service in Dundee, Scotland. Data was collected using questionnaire method and analyzed using trend analysis. It was found that distribution strategy has great effect on the sales level of an organization and study further shows that organizations needs to make use of effective distribution strategy to achieve an increase in sales. Similarly, Ferri, Kuswantoro and Abdul (2012) studied impact of distribution channel innovation on the performance of Small and Medium erprises in Indonesia. The study adopted the survey method. A total of 120 samples were lected from export oriented, Agro based manufacturing SMEs in Yogyakarta and the rounding areas. Using a regression analysis, the findings show that innovation in assortment, ormation sharing and transportation coordination had positive and significant relationships with n performance. The study also found that distribution channel effectiveness mediated the ationship between innovation in assortment and transportation coordination and firm formance. From the reviewed literature, the paucity of literature written by researchers from eria in this field is very conspicuous. Therefore, this study seeks to fill this gap by using Nigeria base for the conduct of this research work.

Theoretical Review

study underpins depot theory which was used in the work of Michael (2012) and propounded Aspinwall in year 1958 (Aspinwall, 1958). The depot theory states that the rate of movement goods towards consumption is determined by the end-user's need for replacement. Aspinwall 58) in his theory of parallel systems explained in greater details that rate of replacement relates negatively with gross margin. Services required, search time, and consumption time. erefore, knowledge about the rate of replacement helps us to understand other characteristics determine the rate of flow.

theory of postponement and speculation as put forward by Bucklin in 1965 provided lanation on which institutional depot (manufacturer, wholesaler, retailer, household) in the ribution channel will hold and modify inventory. The postponement aspect of the theory was eloped further by Alderson in 1957. Alderson contended that variation in modification of ducts and stocking inventory should be postponed to the latest possible point in the marketing v because of reduced risk. The speculation aspect of the theory was developed by Bucklin in 5. He explained that speculation and variation in form and inventory holding should be made early as possible in the distribution chain to take advantage of economies of scale. Thus, while culation takes advantage of the lower costs of modifying goods early to enjoy economies of le which makes large scale production possible, postponement is concerned with risk imization through the modification of products at the latest point for segmented demand giving to mass customisation (Bucklin, 1965; Listou, 2008).

Ansoff's matrix is also another theoretical approach to explaining the role of distribution. It marketing planning model that helps a business determines its products and market growth tegy. Ansoff's product/market growth matrix suggests that a business attempts to grow depend whether it markets. The output from the Ansoff product/market matrix is a series of suggested wth strategies which set the direction for the business strategy. These strategies are market etration, market development, product development, and diversification Ansoff, 1957; Sajjad, shed. Arshad, & Adnan, 2013).

ket penetration is a strategy where the business focuses on selling existing products in existing kets. Market Development on the other hand is the name given to a growth strategy where the ness seeks to sell its existing products into new markets. Product Development is a strategy e a business aims to introduce new products into existing markets. This strategy may require development of new competencies and require the business to develop modified products ch can appeal to existing markets; while diversification refers to the growth strategy where a

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business markets new product into new markets (Bhasin, 2017).Having critically examined these various theories, this study is underpinned by the Ansoff's matrix theoretical approach to distribution due to its relevance to the current study as it zeros in on the vital role played by marketing/distribution in the achievement of the growth objective of a firm and offering practical suggestions on the various strategies that could be adopted by a firm in pursuit of this objective..

3. Research Methodology

This research study uses survey research design. The design is used in addressing the main research objective concerning the relationship between distribution strategies and performance of manufacturing firms in Ikeja, Lagos State. The choice of Ikeja area of Lagos State for the study was informed by the fact that it houses a lot of manufacturing firms which adopts a wide range of distribution strategies of which the three considered in this study were prominent.

The population of study is all the manufacturing firms in Ikeja area of Lagos State, Nigeria as obtained from Corporate Affairs Commission (CAC) Ikeja, Lagos State (CAC-Ikeja, 2018). According to this source, there were 215 registered manufacturing firms as at the time of visit. Out of the 215 registered manufacturing firms in Ikeja, Lagos State, 10 manufacturing firms were purposively selected for the study. Their selection was informed by the fact that they adopted the three distribution strategies which was the focus of this study and would therefore provide relevant information needed for the study. The purposively selected firms are: Cadbury Nig PLC, Fan Milk Ltd., Rite Foods Ltd., Frisco Foods Ltd., Rokana Industries, Soulmate Ltd., Mouka Nig Plc, Vitafoam Nig Plc, Guinness Nig Plc and Chemstar Paints. Similarly, three departments considered relevant to this study based on expert advice, were selected to provide the needed useful information via the administration of questionnaire. The selected department and the staff strength is as shown in the Table 3.1 below:

Table 3.1: Survey Population in the Selected Manufacturing Organizations

S/N	Firms	Management	Sales and Marketing Department	Quality Control Department	Total
1	Cadbury Nig Plc	10	25	24	59
2	Fan Milk Plc	13	20	15	48
3	Rite Foods	16	22	24	62
4	EriscoLtd	11	20	25	56
5	Rokana Industries	9	24	20	53
6	Soulmate Ltd	12	19	25	56
7	Mouka Nigeria Plc	19	20	23	62
8	Vitafoam Nigeria Plc	16	22	20	58
9	Guinness Nigeria Plc	14	18	25	57
10	Chemstar Paints	15	29	10	54
	TOTAL	135	219	211	**565**

Source: (Researchers' Survey, 2018)

In determining the sample size, the study uses the Taro Yamane formula (Yamane, 1967). This is stated as :

$$n = \frac{N}{1+N(e)^2}$$

Where:
n = Sample size
N= population
e = error limit given as 5%
1 = constant

The total number of participants in the study was 565. This constituted which the population. Therefore, the sample size for the study was scientifically determined as follows:

$$n = \frac{565}{1+ 565\ (0.05)^2}$$

$$n = 234$$

To have a sample size reflective of the population characteristics, the study adopted the stratified sampling technique which permitted adequate representation of the three departments included in the study.

Primary source of data collection are used to gather relevant information. The primary source of data was used to gather information from respondents by way of administering a 22-item questionnaire to each of the selected Manufacturing Organizations. The questionnaire was divided into two main sections which includes; the demographic section and questions on the effect of distribution strategy on the performance of manufacturing organization. The questionnaire adopted the five Likert scale method which allowed respondents to offer their opinions without stress. Therefore, the response format strictly followed the Likert Scale response format of Strongly Agreed (SA), Agreed (A), Undecided (U), Disagreed (DA), and Strongly Disagreed (SD). The responses to the items were coded for easy analysis as follow: SA=5, A=4, U=3, DA=2, and SD=1

The dependent variable of the study-performance was measured in terms of company sales. Four relevant items based on theories and previous studies were used in the research instrument to measure this variable. The three dimensions of distribution strategy, which constituted the independent variable of the study, were measured as follows: four relevant items were used to measure intensive distribution strategy, another four items were used to measure selective distribution strategy and five items were used to measure exclusive distribution strategy. These items were derived from previous studies and relevant theories. Responses to these items which followed the Likert Scale format were appropriately coded and screened to meet up with the requirements for running a multivariate analysis which was done with the aid of Statistical Package for the Social Sciences (SPSS) software. Instrument validity was determined by subjecting it to a thorough study by an expert in the field while the reliability of the research instrument was determined by conducting the Cronbach alpha statistics. The study also carried out the Variance Inflation Factor (VIF) and the tolerance level tests to determine the presence of multicollinearity.

Descriptive analysis was computed to obtain a thorough description of the respondents' demographic and personal background. The inferential statistics were computed to test the hypotheses of the study. To achieve the first and second objectives, Pearson correlation coefficient was computed to determine the relationships between performance and intensive distribution strategy on one hand, and performance and exclusive distribution strategy on the other hand. The third objective of the study was achieved by computing ordinary linear regression to determine the effect of selective distribution strategy on firm's performance. All the computations were done with the aid of Statistical Package for the Social Sciences (SPSS) software.

This study used research model adopted from the work of Cohen (2008) as shown below:

$Y_0 = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + e$.. (1)

Where:
e= error term
Where:
Y_0= Organization Performance (ORP)
X_1= Intensive Distribution Strategy (IDS)
X_2= Selective Distribution Strategy (SDS)
X_3= Extensive Distribution Strategy (EDS)
e= error term

Thus, the model of this study is shown below below:

ORP= f (IDS, EDS, SDS)..(1)

ORP= $\beta_0 + \beta_1$IDS+ β_2EDS + β_3SDS + e.. (2)

Where:

ORP = Organization Performance [It is the market performance measured by sales growth for a given period of time] (Islam *et al.* (2011)

IDS = Intensive Distribution Strategy [It is the strategy used by the producer when the market is saturated to reach all available sales outlets. In other words, many products and total sales are directly linked to the number of outlets to reach customers with all range of acceptable brands to choose from] (Chand, 2012).

EDS = Exclusive Distribution Strategy [It is a situation where the manufacturer is using only wholesaler, retailer or distributor as channels of distribution in a specific geographical area (Chand, 2012; Hitesh, 2017).

SDS = Selective Distribution Strategy [It is a situation where by the producer is using limited number of outlets in a geographical area to sell products] (Chand, 2012).

f = Function

Though, a sample of 234 respondents cutting across relevant departments of the selected firms were chosen out of which 205 respondents returned their questionnaires for analysis. The collected data was analysed using descriptive statistics in the form of percentages and inferential statistics in the forms of Pearson Moment Correlation coefficient. The hypotheses of this study are tested at 1% (0.000 - 0.005) and 1% (0.006 - 0.050) significant levels. Otherwise, the study fails to reject the null hypotheses as no convincing reasons for not rejecting.

4. Results and Hypotheses

The section presents data for the analysis and draw conclusions after the hypotheses are tested.

4.1 Diagnostic Tests

The section presents and analyses the results of various diagnostic test.

Table 4.1: Analysis of Respondents' Demographic Profiles

S/N	Variable	Frequency	Percentage
1.	**Gender**		
	Female	81	39.5
	Male	124	60.5
2.	**Age**		
	20-25	43	21
	26-30	75	37
	31-35	42	20
	36-40	39	18
	>40	9	4
3.	**Year of Service**		
	1-9	154	75
	10-19	51	25
	20 and above	0	0
4.	**Functional Responsibility**		
	Management	53	26
	Sales and marketing	104	51
	Quality control	48	23

Source: Author's computation, 2018

Table 4.1 above is a presentation of the demographic profiles of the respondents. The table shows that 124 employees representing 60.5% across the organization are male while 81 employees representing 39.5% are females. This shows that there were male employees than female employees in the manufacturing firms that made up the sample for this study. The table also shows that 43 employees representing 21% of the respondents are within the age of 20 – 25 years, employees within the range of 26 – 30 years are 75 in number representing 37.%, also employees within the range of 31 – 35 years are 42 in number representing 20%, while employees within the range of 36 – 40 years are 36 in number representing 18%, finally employees of 41 and above

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years are 9 in number representing 4%. This shows that the employees are all active individuals who could contribute positively to the growth of their respective firms. The Table 4.1 above above also shows that 154 respondents representing 75% have worked in the organization for 1-9 years, 51 respondents representing 25% have worked in the organization for 10-19 years and no respondents have worked in the organization for 20 year above. This duration of service stands them in good stead to respond to the items contained in the questionnaire. The table also shows that 53 management staff representing 26% of respondents across the organizations were included in the study sample, while 104 staff from the sales and marketing department of the manufacturing firms were also included representing 51% of the sample size and 48 staff representing 23% of the sample size were drawn from the quality control department of the firms.

4.2 Reliability Test

The reliability of the research instrument was determined by computing the Cronbach Alpha statistics as shown in the Table 4.2 below.

Table 4.2: Cronbach Alpha Test of Reliability

S/N	Variable	Item	Covariance	Cronbach's Alpha value
	Firm's Performance	4	0.41332	0.742
	Intensive Distribution	4	0.51375	0.813
	Exclusive Distribution	5	0.40125	0.882
	Selective Distribution	4	0.49945	0.752

SOURCE: Author's Computation (2018), using SPSS

According to Sekaran (2003) as cited in Bagobiri & Yaroson (2016), the closer the Cronbach Alpha is to 1, the better the internal consistency of the research instrument. As evident from the Table 4.2. Cronbach alpha values obtained are all above 0.7, which shows a good measure of internal consistency.

4.3 Multicollinearity Tests

To test for multicollinearity, the researcher computed the variance inflation factor (VIF) and the tolerance level tests.

Table 4.3: Multicollinearity Tests

Variable	Variance Inflation Factor	Tolerance Level
Intensive Distribution	7.81	0.18243
Exclusive Distribution	5.54	0.24967
Selective Distribution	6.43	0.54710

Source: Author's computation, 2018

The results as indicated by Table 4.3 above shows that the VIF are below 10 while the tolerance levels are above 0.10. These indicate the absence of multicollinearity among the predictor variables (Hair, Black, Babin & Anderson, 2010).

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4.4 Results of Hypotheses Testing

The section presents data in Tables and analyses follow to draw conclusions.

Table 4.4: Correlations Matrix between Dependents and Independents Variables

		Organisational performance	Intensive Distribution	Selective Distribution	Extensive Distribution
Organisational performance	Pearson Correlation	1			
	Sig. (2-tailed)				
	N	205			
Intensive Distribution	Pearson Correlation	.612**	1		
	Sig. (2-tailed)	.021			
	N	205	205		
Selective Distribution	Pearson Correlation	.544**	.025	1	
	Sig. (2-tailed)	.041	.003		
	N	205	205	205	
Exclusive Distribution	Pearson Correlation	.412	.340*	.255**	1
	Sig. (2-tailed)	.001	.001	.018	
	N	205	205	205	205

Source: Author's Computation 2018, using SPSS

The results as presented in Table 4.4 shows that the correlation between the dependent variable (organization performance) and the independent variable distribution strategies of the manufacturing firms were significant at the 5% and 10% levels of significance respectively. The correlation coefficients of the independent variables which are Intensive distribution, selective distribution and exclusive distribution are 0.612, 0.544 and 0.412 respectively. This analysis shows that a strong relationship exists between manufacturing firms' distribution strategies and organization performance. Therefore, the study rejects all the null hypotheses and concludes that there is a statistically significant relationship between organisational performance and distribution strategy.

4.5 Discussion of Results

The study shows that intensive distribution strategy has a positive relationship with performance of manufacturing organisation in Ikeja. This is because correlation coefficient is 0.612 with significant value of 0.021 (That is, 5% significant level). The researcher failed to accept the null hypothesis which states that "Intensive distribution strategy has no significant relationship with the performance of manufacturing organizations in Ikeja". This agrees with the findings of Rose (2012) who researched on "Distribution strategies and the performance of small and medium enterprises" in Delta State, Nigeria. The findings revealed that the beta coefficient of the independent variable is 0.721 showing significant relationship between the distribution strategies and performance of small and medium enterprises.

The study also shows that a statistically significant positive correlation exists between selective distribution strategy and performance of the manufacturing organisations. This is shown by the correlation coefficient of 0.544 with a significant value of 0.041 (That is, 5% significant level).

The researcher failed to accept the null hypothesis which states that "Selective distribution strategy has no significant relationship with the performance of manufacturing organizations in Ikeja". This result is supported by the finding of Emmanuel (2008) who researched on "Appraisal of distribution strategies of production companies" in Enugu, Nigeria. The finding reveals that most company management believe that distribution strategies have contributed very much (58%) to expanding their market growth.

Finally, the study also shows that there is a statistically significant positive relationship between exclusive distribution and performance of manufacturing organization in Ikeja. This is because correlation coefficient is 0.412 with a significant value of 0.001 (That is, 1% significant level).. The researcher rejects the null hypothesis which states that "There is no significant relationship between exclusive distribution and the performance of manufacturing organizations in Ikeja" This finding is in line with the findings of Stennek (2014) and Elias, *et al.* (2018) both of which affirmed the positive relationship between exclusivity in distribution and performance of firms.

5. Conclusion and Recommendations

From the findings of the study, it has been established that intensive and exclusive distribution strategies are crucial to the performance of manufacturing firms in Ikeja while selective distribution strategy has a non-significant effect on the performance of the selected manufacturing firms. Therefore, the study concludes that distributional strategy is very crucial to manufacturing firm performance in Ikeja area and should be given adequate attention.
In view of this the study put forward the following recommendations:

a. Manufacturing firms should invest more on intensive distribution in view of the positive relationship it has with firm's performance. Increased use of intensive distribution strategy will improve performance through an upswing in sales.
b. Similarly, manufacturing firms in Ikeja should give more importance to exclusive distribution strategy to enhance their performance since it has a significant positive relationship with firm performance.
c. In view of the significant relationship between selective distribution strategy and performance, manufacturing firms in Ikeja should invest more on its usage as a way of boosting sales performance.

6. Area for Further Research

It is suggested additionally that the research study can be carried out in other States in Nigeria using any other manufacturing firms or service firms.

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