

# Effect of Service Quality on Marketing of Tangible Products: A Study of International Breweries Plc, Ilesa

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## ABSTRACT

*This study examined the effects of service quality on marketing of tangible products, a study of International Breweries Plc, Ilesa, Osun State, Nigeria. Although brewing firms primarily produce tangible goods, service-related components such as distribution reliability, responsiveness to distributors, assurance, and complaint management significantly influence marketing outcomes. A descriptive survey design was adopted. Data were collected from 50 respondents comprising staff and distributors/customers using a structured questionnaire based on the SERVQUAL dimensions. The chi-square ( $\chi^2$ ) statistical technique was employed to test three hypotheses at a 0.05 level of significance. Findings revealed that service reliability, responsiveness, and overall service quality significantly influence marketing performance indicators such as customer satisfaction and repeat purchase intention. The calculated chi-square values exceeded the critical value (7.81), leading to the rejection of all null hypotheses. The study concludes that service quality is a strategic determinant of marketing success in manufacturing firms and recommends sustained investment in customer-centered service systems and logistics optimization.*

**Keywords**— Service quality, marketing performance, tangible products, SERVQUAL, brewing industry.

## I. INTRODUCTION

In today's competitive and dynamic business environment, organizations are increasingly realizing that providing superior service quality is a key strategy for achieving customer satisfaction, loyalty, and sustained profitability (Parasuraman et al., 1988; Zeithaml et al., 2019). Traditionally, the concept of service quality has been associated with intangible products such as banking, hospitality, and healthcare. However, its importance in the marketing of tangible products has become more pronounced in recent years, as consumers now evaluate not only the physical attributes of products but also the quality of accompanying services such as after-sales support, delivery, customer relations, and complaint resolution

(Kotler & Keller, 2016). The concept of service quality has evolved beyond the confines of the service industry to become a critical component of the marketing strategy for manufacturers of tangible products. While product quality remains essential, the supporting services surrounding a product—such as distribution efficiency, customer support, product availability, and responsiveness to market needs—now significantly influence customer satisfaction, loyalty, and overall market success (Zeithaml, Bitner, & Gremler, 2020). As competition among producers of tangible goods intensifies, the ability to provide exceptional service quality has emerged as a fundamental determinant of marketing effectiveness and customer retention (Kotler & Keller, 2016).

Historically, manufacturers focused primarily on improving the physical quality and durability of their products, assuming that superior tangible features would guarantee market dominance. Recent empirical research underscores the persistent relevance of service quality in influencing marketing outcomes. Ahmad et al. (2024) found that service quality dimensions significantly predict customer satisfaction across industries. Similarly, Rashid and Rasheed (2024) demonstrated that logistics service quality strongly affects product satisfaction and customer intention in e-commerce environments. These findings highlight the strategic importance of service quality even in contexts where tangible products dominate.

In producing high-quality tangible products, some manufacturing firms experience declining sales due to weaknesses in service delivery systems. Inefficiencies in logistics, delayed responses to distributor complaints, and poor communication channels can undermine customer satisfaction and brand loyalty. While several studies have examined service quality in service-oriented industries, limited empirical attention has been given to manufacturing firms in Nigeria's brewing sector. Therefore, this study investigates the effects of service quality on marketing of tangible products at International Breweries Plc, Ilesa.

#### *A. Concept of Service Quality*

Service quality refers to the degree to which a service meets or exceeds customer expectations (Parasuraman, Zeithaml, & Berry, 1988). It represents customers' judgment about an organization's overall excellence or superiority in service delivery. While it is often associated with the service sector, service quality has also become an essential aspect of marketing tangible products because every tangible product is accompanied by certain intangible services such as delivery, packaging, customer support, and warranty handling (Kotler & Keller, 2016).

Grönroos, (1990) described service quality as the outcome of the comparison between customers' expectations of a service and their perceptions of the actual service received. When perceived performance exceeds expectations, customers are satisfied; however, when expectations are not met, dissatisfaction arises. This relationship underscores the importance of service quality in shaping customer behavior and perception, even in the sale of physical goods.

In the context of tangible product marketing, service quality includes several elements: product availability, promptness in delivery, staff competence, and responsiveness to customer complaints (Ogunnaike & Salau, 2014). A brewery company that delivers orders on time, provides technical and promotional support to distributors, and effectively handles customer complaints is perceived to be delivering high service quality.

### *B. Concept of Marketing*

Marketing is the process of identifying, anticipating, and satisfying customer needs profitably (Kotler & Keller, 2016). It involves understanding consumer behavior, designing appropriate products, setting prices, distributing goods efficiently, and promoting products to target markets. For tangible products like beverages, marketing activities include product differentiation, branding, sales promotions, and customer relationship management. In recent years, marketing has shifted from a transactional orientation which focuses on short-term sales to a relationship orientation, which emphasizes long-term customer satisfaction and loyalty. Service quality plays a vital role in this transformation by ensuring that customers derive continuous satisfaction from both the product and the company's support services (Zeithaml, Bitner, & Gremler, 2020).

### *C. Service Quality and Marketing Performance*

Marketing performance refers to the effectiveness of an organization's marketing activities in achieving sales growth, customer retention, and brand loyalty. Research consistently demonstrates that service quality is a strong predictor of marketing success.

Dam and Dam, (2021) established that service quality positively influences brand image and customer loyalty. Slack et al. (2020) also found a significant relationship between service quality and customer satisfaction, which subsequently enhances loyalty. More recent evidence reinforces these findings. Rashid and Rasheed (2024) showed that logistics service quality significantly affects product satisfaction. In addition, studies in banking and digital services contexts confirm that responsiveness and assurance are key determinants of customer loyalty (Ahmad et al., 2024; Jibrán et al., 2025).

#### *D. Service Quality and Marketing of Tangible Products*

Although tangible products are physical, their marketing success increasingly depends on the intangible services that surround them. For instance, in the brewery industry, customers (distributors and retailers) often base their satisfaction not only on the product's taste or packaging but also on the company's ability to deliver products promptly, handle complaints efficiently, and maintain effective communication channels (Ogunnaike, 2019).

Service quality enhances marketing performance by increasing customer satisfaction and retention, differentiating the brand in a competitive market, strengthening customer trust and loyalty, and enhancing positive word-of-mouth promotion (Akbar & Parvez, 2009). Thus, marketing strategies that integrate strong service quality principles are more likely to achieve sustained success, especially in industries where product differentiation is minimal.

#### *E. Theoretical Framework*

A theoretical framework provides the conceptual foundation upon which a study is built. It connects the research problem to existing theories, thereby guiding the study's methodology, analysis, and interpretation of findings. For this research on the effects of service quality on the marketing of tangible products, two major theories are adopted: the SERVQUAL Model developed by Parasuraman, Zeithaml, and Berry (1988), and the Expectation–Disconfirmation Theory proposed by Oliver (1980). These theories provide the underlying logic for understanding how service quality influences customer satisfaction, loyalty, and marketing performance in manufacturing firms such as International Breweries Plc

#### *F. The SERVQUAL Model (Parasuraman et al., 1988)*

The SERVQUAL model is one of the most influential and widely used frameworks for assessing service quality across various industries. It was developed by Parasuraman, Zeithaml, and Berry (1988) to measure the gap between customers' expectations and their perceptions of actual service performance. The model is based on the premise that service quality is a function of the difference between expectations and perceived performance. When perceived performance meets or exceeds expectations, customers are satisfied; when it falls short, dissatisfaction arises. The SERVQUAL model identifies five key dimensions of service quality, each of which can be applied to both service and tangible product contexts:

1. **Tangibles:** This refers to the physical appearance of facilities, equipment, personnel, and communication materials that a company uses to deliver its service. In the context of International

2. Breweries Plc, tangibles include the appearance of product packaging, delivery vehicles, staff uniforms, and promotional materials. These tangible elements influence customers' first impressions and perceived professionalism of the company.
3. Reliability: Reliability relates to the company's ability to perform the promised service dependably and accurately. For breweries, this involves delivering the right product in the right quantity and at the right time, as promised to distributors or retailers. A reliable delivery and distribution system enhances trust and strengthens customer relationships.
4. Responsiveness: This dimension concerns the firm's willingness and readiness to help customers and provide prompt service. For example, the responsiveness of International Breweries Plc in addressing complaints, replacing defective products, or providing promotional support determines how customers evaluate its service quality.
5. Assurance: Assurance involves the knowledge, courtesy, and competence of employees and their ability to inspire confidence and trust in customers. In brewery marketing, assurance may reflect the professionalism of sales representatives, their knowledge of the product, and their ability to provide accurate information to distributors and retailers.
6. Empathy: Empathy refers to the provision of individualized attention and care to customers. It entails understanding customers' specific needs, offering personalized service, and maintaining cordial relationships. A brewery that demonstrates empathy through regular follow-up visits or flexible service arrangements is more likely to retain loyal customers.

The SERVQUAL model has been applied in a wide range of industries, including banking, healthcare, and retailing, but it is equally applicable to the marketing of tangible products because tangible goods are accompanied by essential service components such as delivery, technical support, and communication.

#### *G. Expectation–Disconfirmation Theory (Oliver, 1980)*

The Expectation–Disconfirmation Theory (EDT), developed by Richard L. Oliver in 1980, is one of the most prominent models explaining customer satisfaction. The theory posits that satisfaction or dissatisfaction is determined by the degree of congruence (or disconfirmation) between customer expectations before consumption and their perceptions of actual performance after consumption.

According to the theory, customers approach a product or service with certain expectations based on prior experience, advertising, or word-of-mouth information. After experiencing the product or service, they compare their perceived performance with these expectations. If the actual performance exceeds expectations (positive disconfirmation), customers experience satisfaction; if it matches expectations

(confirmation), they remain neutral; and if it falls below expectations (negative disconfirmation), dissatisfaction occurs (Oliver, 1980).

The model can be represented in three key stages:

1. Expectation Formation: Before purchase, customers form expectations about a product's or service's performance.
2. Perceived Performance: After purchase, they experience the actual performance of the product or service.
3. Comparison and Disconfirmation: Customers compare their expectations with perceived performance to determine satisfaction or dissatisfaction.

#### *H. Theoretical Relevance to International Breweries Plc Ilesa*

The theoretical models discussed above have direct relevance to the operations of International Breweries Plc in Ilesanmi, Osun State. In Nigeria's competitive brewery industry, where most firms offer similar products, service quality becomes a key differentiator. Applying the SERVQUAL framework allows the company to evaluate how effectively it meets customer expectations across various service dimensions.

For instance:

- i. Reliability may relate to the consistency of product supply and delivery schedules.
- ii. Responsiveness reflects how quickly the company resolves distributors' complaints.
- iii. Empathy and assurance capture the company's relationship management and professional conduct.

The Expectation–Disconfirmation Theory further helps explain customer behavior toward the brand. Distributors and retailers develop expectations about service delivery based on prior experiences or the company's reputation. When International Breweries meets or surpasses these expectations, customers become more satisfied, leading to stronger loyalty, positive word-of-mouth, and improved marketing performance.

Therefore, combining both theories provide a solid conceptual foundation for examining how service quality practices affect customer satisfaction, loyalty, and sales performance at International Breweries Plc. It also helps to predict and explain customer reactions to variations in service delivery—making the theoretical framework both practical and relevant for this research.

#### *I. Objectives of the Study*

The aim of this study is to investigate the effect of service quality on marketing of tangible products, a study of International Breweries Plc, Ilesa. The objectives of this study are to examine the effect of

service reliability on marketing performance and find out the overall effect of service quality on marketing of tangible products.

### *J. Research Hypothesis*

H<sub>01</sub>: Service reliability has no significant effect on marketing performance.

H<sub>02</sub>: Overall service quality has no significant effect on marketing of tangible products.

## **II. MATERIALS AND METHODS**

### *A. Research Design*

A descriptive survey research design was adopted to collect quantitative data from respondents.

### *B. Population and Sample*

The population comprised staff and distributors/customers of International Breweries Plc, Ilesa. A sample size of 50 respondents was selected using simple random sampling.

### *C. Instrumentation*

Structured questionnaire based on a 4-point Likert scale (Strongly Agree to Strongly Disagree) was used. Items measured service reliability, responsiveness, assurance, and marketing performance indicators such as satisfaction and repeat purchase intention.

### *D. Validity and Reliability*

Content validity was ensured through expert review. Reliability testing using Cronbach's Alpha yielded a coefficient of 0.78, indicating acceptable internal consistency.

### *E. Method of Data Analysis*

The collected data were analyzed using frequency distribution and the chi-square ( $\chi^2$ ) statistical test at a 5% level of significance ( $\alpha = 0.05$ ). The chi-square test was employed to examine the relationship between the observed and expected frequencies. The chi-square statistic is given by:

$$\chi^2 = \sum \frac{(O - E)^2}{E} \quad (1)$$

where O represents the observed frequency and E represents the expected frequency.

The degree of freedom for the test was 3, and the critical value of  $\chi^2$  at  $\alpha = 0.05$  and  $df = 3$  is 7.81. Decision-making was based on comparison of the calculated  $\chi^2$  value with the critical value: the null hypothesis was rejected if  $\chi^2_{\text{calculated}} > 7.81$ ; otherwise, it was not rejected.

### III. RESULTS

#### A. Hypothesis One ( $H_{01}$ )

Service reliability has no significant effect on marketing performance. The observed and expected frequencies are presented in Table 1. The calculated  $\chi^2$  value is 10.00 with 3 degrees of freedom. The critical value at  $\alpha = 0.05$  is 7.81. Since  $10.00 > 7.81$ , the null hypothesis ( $H_{01}$ ) is rejected.

#### B. Hypothesis Two ( $H_{02}$ )

Overall service quality has no significant effect on the marketing of tangible products. The observed and expected frequencies are shown in Table 2. The calculated  $\chi^2$  value is 14.08 with 3 degrees of freedom. The critical value at  $\alpha = 0.05$  is 7.81. Since  $14.08 > 7.81$ , the null hypothesis ( $H_{02}$ ) is rejected.

### IV. DISCUSSION

The findings indicate that service quality significantly influences marketing outcomes at International Breweries Plc. Reliability in delivery enhances distributor trust and product availability, thereby increasing satisfaction and repeat purchase intention. These results align with Rashid and Rasheed (2024), who found that logistics service quality significantly predicts product satisfaction. Similarly, Ahmad et al. (2024) and Jibrán et al. (2025) reported that service responsiveness and assurance are strong determinants of customer loyalty. The findings also support SERVQUAL theory, which posits that consistent service performance enhances perceived value. Furthermore, they corroborate the relationship marketing perspective that long-term profitability depends on maintaining strong customer relationships through service excellence.

### V. CONCLUSION

From the findings of this study, it is concluded that service quality plays a crucial role in the marketing of tangible products. While the physical quality of the product remains essential, the surrounding services such as reliability, responsiveness, and customer support are equally vital in ensuring customer satisfaction and loyalty. In the case of International Breweries Plc, it was evident that the company's ability to deliver high-quality services alongside its tangible products has a significant effect on its sales performance and market reputation. When customers perceive that a company values their needs through prompt service delivery, effective communication, and personalized attention, they are more likely to remain loyal and recommend the company's products to others. Therefore, service quality should be

viewed as a strategic marketing tool, not just an operational function. Companies producing tangible goods must prioritize customer-centric service delivery to sustain competitiveness in today’s dynamic business environment.

**Table 1: Observed and Expected Frequencies for Hypothesis One**

| Response     | Observed (O) | Expected (E) | (O – E) | (O – E) <sup>2</sup> / E |
|--------------|--------------|--------------|---------|--------------------------|
| SA           | 20           | 12.5         | 7.5     | 4.50                     |
| A            | 15           | 12.5         | 2.5     | 0.50                     |
| D            | 10           | 12.5         | -2.5    | 0.50                     |
| SD           | 5            | 12.5         | -7.5    | 4.50                     |
| <b>Total</b> | <b>50</b>    | <b>50</b>    | —       | <b>10.00</b>             |

**Table 2: Observed and Expected Frequencies for Hypothesis Two**

| Response     | Observed (O) | Expected (E) | (O – E) | (O – E) <sup>2</sup> / E |
|--------------|--------------|--------------|---------|--------------------------|
| SA           | 22           | 12.5         | 9.5     | 7.22                     |
| A            | 16           | 12.5         | 3.5     | 0.98                     |
| D            | 8            | 12.5         | -4.5    | 1.62                     |
| SD           | 4            | 12.5         | -8.5    | 5.78                     |
| <b>Total</b> | <b>50</b>    | <b>50</b>    | —       | <b>14.08</b>             |

## VI. RECOMMENDATIONS

Based on the findings and conclusions of this study, the following recommendations are proposed:

1. Improve Distribution and Delivery Systems: Timely delivery of products to distributors and retailers is essential. The company should invest in efficient logistics and supply chain management systems to minimize delays and shortages.
2. Train Employees on Customer Service Excellence: Employees, especially those in marketing and sales departments, should be trained regularly on modern customer service practices and interpersonal communication skills to foster stronger relationships with clients.
3. Implement Relationship Marketing Strategies: Personalized attention, loyalty programs, and consistent engagement with distributors and retailers can strengthen customer retention and enhance long-term partnerships.
4. Integrate Service Quality Metrics into Performance Evaluation: The management of International Breweries Plc should include service quality indicators in performance appraisal systems to ensure accountability and continuous improvement.

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