PRODUCT DIFERRENTIATION AND MARKE SEGMENTATION: A COMPARATIVE MARKET STRATEGY OF COCA-COLA NIGERIA PLC IN BENIN CITY

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A RESEARCH PROJECT WRITTEN AND SUBMITTED TO THE DEPARTMENT OF BUSINESS ADMINISTRATION, FACULTY OF MANAGEMENT SCIENCES, UNIVERSITY OF BENIN. IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE AWARD OF BACHELOR OF SCIENCE (B.Sc.) DEGREE IN THE DEPARTMENT OF BUSINESS ADMINISTRATION.

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DECLARATION

I, Inegbenijesu Christian Michael of the department of business administration, faculty of management science University of Benin, Benin City, do hereby declare that this project is entirely my work and composition. All references made to works of other persons have been duly acknowledged

Christian Michael INEGBENIJESU DATE

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CERTIFICATION

We the undersigned, certify that this project work was written by INEGBENIJESU CHRISTIA in the department of business administration, faculty of management science University of Benin, Benin City.

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DEDICATION

This project is dedicated to GOD for His grace throughout my time in school most especially for how far he has brought me, for his wisdom and guidance. Also, to my parents, Mr and Mrs Inegbenijesu who has always being my biggest support.

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May God bless you all. Amen.

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ABSTRACT

This study looked at how Coca-Cola Nigeria Plc's marketing strategy in Benin City was affected by product differentiation and market segmentation. The goal of the study was to ascertain how these tactics affect the company's competitive advantage, consumer preference, and marketing performance. Data was gathered from 400 respondents utilizing structured questions and a descriptive survey approach. Using SPSS version 29.0, the data were examined using multiple regression analysis, descriptive statistics, and Pearson correlation.

The results showed that Coca-Cola's marketing strategy benefits considerably from product differentiation, suggesting that distinctive taste, packaging, and branding have a big impact on consumer behavior. However, market segmentation had a favorable but statistically negligible effect, indicating that without considerable distinction, segmentation by itself is not a reliable indicator of marketing success. The regression results also showed that the independent variables accounted for 28.1% of the variances in Coca-Cola's marketing strategy.

The analysis comes to the conclusion that Coca-Cola's product diversification strategy, bolstered by modest segmentation initiatives, is the main factor driving the company's market success in Benin City. It suggests that Coca-Cola improve marketing efficacy and maintain brand competitiveness by fortifying its segmentation strategies and incorporating them with distinctiveness.

CHAPTER ONE

1.1 BACKGROUND TO THE STUDY

The fierce rivalry between businesses in today's business environments forces companies to use innovative marketing techniques in order to thrive. Product differentiation and market segmentation are two of the most popular marketing strategies. According to Kotler and Keller (2016), product differentiation is the conscious attempt made by businesses to set their goods apart from those of their rivals by highlighting distinctive qualities including flavor, quality, packaging, design, customer support, and branding. To better serve them, market segmentation, on the other hand, entails breaking down a large and diverse market into smaller groups of customers with comparable demands, tastes, or traits (Smith, 1956; Yankelovich & Meer, 2006). By combining these tactics, businesses can get a competitive advantage in crowded markets.

The beverage industry has led the way globally in using market segmentation and product differentiation. Global corporations like PepsiCo and Coca-Cola compete not only on pricing but also on customer experience, brand identity, and perceived value. Since its founding in 1886, Coca-Cola has become one of the most well-known brands in the world by utilizing product diversity through a variety of product variations, creative packaging, and a powerful brand positioning strategy (Banutu-Gomez, 2019). The launch of Coca-Cola Zero Sugar, Diet Coke, and other flavored varieties, for example, demonstrates how the business adapts to the changing tastes of consumers who are health-conscious. Additionally, the company use segmentation techniques to target various demographic and psychographic groups, such as professionals, families, and young people, and customizes its advertising campaigns to appeal to each of these groups (Schlegelmilch, 2016).

The beverage sector contributes significantly to consumer satisfaction, government revenue, and job development in developing nations like Nigeria. With a population of more than 200 million, Nigeria boasts one of Africa's largest consumer marketplaces. The country's expanding middle class also helps to drive up demand for beverages (Adeleke & Aminu, 2022). One of the most competitive markets is the soft drink sector, which is controlled by Pepsi and Coca-Cola. Bigi Cola and La Casera are recent newcomers that offer fierce competition. As a division of the Coca-Cola Hellenic Bottling Company, Coca-Cola Nigeria Plc has remained dominant through broad distribution networks, regional marketing tactics, and ongoing innovation (Nwokah & Ogbonda, 2019). In addition to providing a range of brands, including Fanta, Sprite, Schweppes, and Eva Water, the company sets itself apart from the competition by forging deep emotional bonds with customers through branding efforts that highlight joy, camaraderie, and celebration. But in recent years, Nigeria's competitive environment has changed. Price-based differentiation has allowed rival brands like Pepsi and Bigi Cola to enter the market by appealing to consumers who are cost-conscious by providing larger bottle sizes at reduced costs (Oluwaseun & Emmanuel, 2021). The sustainability of Coca-Cola's reliance on its strong brand and wide range of products to maintain its market share is called into doubt by this escalating competition. Although Coca-Cola markets itself as a luxury brand, Nigerian consumers' tastes are varied and impacted by a number of variables, including cost, peer pressure, cultural identity, and lifestyle, particularly in urban areas like Benin City.

An excellent setting for analyzing Coca-Cola's segmentation and differentiation tactics is Benin City. The city is a representative urban consumer market since it is the capital of Edo State and is a hive of professionals, traders, students, and public personnel. For example, the sizable student body at the University of Benin and other universities represents a young demographic with distinct consumption habits, frequently influenced by affordability, peer associations, and lifestyle trends. Conversely, middle-class professionals and traders make up another group whose beverage preferences may be impacted by brand loyalty, family demands, and convenience. Coca-Cola Nigeria Plc is forced by these varied market sectors to constantly modify its business plans in order to stay relevant and win over customers.

In a market this competitive, it is impossible to overestimate the significance of product differentiation and segmentation. By helping businesses establish perceived value, differentiation lowers direct price rivalry and increases brand loyalty (Kotler & Keller, 2016). Businesses can more effectively allocate resources, customize messaging for customer groups, and create goods that cater to the unique requirements of each segment by using segmentation (Yankelovich & Meer, 2006). Coca-Cola may lose market share to rivals, see a decline in consumer loyalty, and see its brand value in Nigeria erode if these tactics are not successfully adjusted.

Studies on the Nigerian beverage market have mostly concentrated on national-level analysis, notwithstanding Coca-Cola's global dominance (Nwokah & Ogbonda, 2019; Adeleke & Aminu, 2022). The effectiveness of Coca-Cola's segmentation and differentiation methods in various cities, like Benin City, has not been well studied empirically. Given the city's competitive beverage market and socioeconomic diversity, examining Coca-Cola's strategy provides insights into how well its marketing tactics maintain a competitive edge over rivals.

In conclusion, the goal of this study is to find out how Coca-Cola Nigeria Plc uses market segmentation and product differentiation as comparative market strategies in Benin City. In Nigeria's dynamic beverage business, this will provide insight into the company's capacity to sustain customer loyalty amidst growing competition and shifting consumer tastes.

1.2 RESEARCH PROBLEM

Due to factors like growing urbanization, increased consumer affluence, and changing customer preferences, the beverage market in Nigeria has become extremely competitive. To be dominant in this market, international corporations like Coca-Cola Nigeria Plc must constantly modify their business plans. Despite Coca-Cola's widespread distribution and high level of brand loyalty in Nigeria, recent events show that rivalry from competitor brands like Pepsi, Bigi Cola, and other regional substitutes is getting fiercer (Oluwaseun & Emmanuel, 2021). Coca-Cola's market dominance has been threatened by these rivals, who target budget-conscious customers with aggressive marketing campaigns, larger packaging, and cheaper goods.

Nigerian customer choices are dynamic and erratic, which is a major issue. Urban consumers are presented with a wide variety of beverage options, especially in places like Benin. In addition to brand loyalty, other variables that impact their selections include price, peer pressure, and lifestyle trends (Adeleke & Aminu, 2022). For example, rival brands use localized tactics that better suit the cultural and economic reality of Nigerian consumers, whereas Coca-Cola sets itself apart with luxury branding and international advertisements that highlight joy and celebration (Ezenyilimba, 2020). In such a dynamic market, this begs the question of whether Coca-Cola's differentiating efforts are enough to sustain long-term devotion.

The efficacy of Coca-Cola's segmentation strategy presents another difficulty. The goal of market segmentation is to enable businesses to more successfully identify and cater to discrete customer groups (Smith, 1956; Yankelovich & Meer, 2006). However, segmentation schemes frequently encounter obstacles in Nigeria, where regional cultural diversity and income gaps are substantial. For instance, Pepsi and Bigi Cola's affordability-driven methods frequently succeed in capturing the mass market, particularly in metropolitan centers with high price sensitivity, whereas Coca-Cola targets professionals with premium advertising and young with contemporary campaigns (Nwokah & Ogbonda, 2019). The worldwide brand identity of Coca-Cola and the specialized demands of Nigerian consumers are at odds as a result.

The diversity of Benin City's population exacerbates the issue. The enormous student population at the University of Benin reflects a young demographic that is price-sensitive and quickly swayed by peer behavior and trends. On the other side, working-class professionals and families in Benin may prioritize convenience, family-pack sizes, or affordability over brand identification (Omoregie & Ighomereho, 2021). Because of this diversity, Coca-Cola must strike a delicate balance between global strategies and local realities, a process that requires significant resources

Furthermore, there is a lack of scholarly study on how Coca-Cola's differentiation and segmentation techniques work at the city level. Most studies (e.g., Nwokah & Ogbonda, 2019; Adeleke & Aminu, 2022) concentrate on national-level analysis of the Nigerian beverage market, typically ignoring city-specific dynamics where competition and customer preferences differ. Without actual data on how these techniques work in Benin City, it is difficult to determine whether Coca-Cola is effectively using differentiation and segmentation to maintain its competitive advantage.

The research problem can be summarized as follows: while Coca-Cola Nigeria Plc continues to use product differentiation and market segmentation as central marketing strategies, it is unclear whether these approaches are effective in addressing rising competition, consumer price sensitivity, and changing preferences in Benin City. This study aims to address this gap by investigating the comparative efficiency of Coca-Cola's differentiation and segmentation *strategies in maintaining its market advantage in Benin City.*

1.3 RESEARCH QUESTIONS

The study will be directed by the following research questions.

1. In Benin City, how does Coca-Cola Nigeria Plc employ product differentiation as a tactic to compete?

2. In Benin City, what market segmentation techniques does Coca-Cola Nigeria Plc use?

3. How well do strategies for product differentiation affect Benin City consumers' purchasing decisions?

4. To what degree do Coca-Cola's market segmentation efforts bolster customer loyalty in Benin City?

5. How do customers in Benin City who belong to various demographic groups—such as families, professionals, traders, and students—view Coca-Cola's unique products?

6. What obstacles does Coca-Cola Nigeria Plc encounter when putting its market segmentation and product differentiation strategy into practice in Benin City?

7. How do Coca-Cola's segmentation and differentiation tactics stack up against those of competing brands in Benin City, such as Pepsi and Bigi Cola?

1.4 OBJECTIVES OF THE STUDY

Examining product differentiation and market segmentation as comparative market strategies of Coca-Cola Nigeria Plc in Benin City is the primary goal of this study.

The particular goals are to:

1. Examine the ways in which Coca-Cola Nigeria Plc uses tactics for product differentiation in Benin City.
2. Analyze Coca-Cola Nigeria Plc's market segmentation tactics in Benin City.
3. Evaluate how well Coca-Cola's tactics for product differentiation have influenced Benin City consumers' purchase decisions.
4. Assess how much Coca-Cola's market segmentation tactics improve Benin City consumers' loyalty.
5. Examine how Benin City consumers in various demographic groups—such as families, professionals, traders, and students—view Coca-Cola's unique goods.
6. List the difficulties Coca-Cola Nigeria Plc has had putting its market segmentation and product differentiation plans into practice in Benin City.
7. In Benin City, contrast Coca-Cola's segmentation and differentiation tactics with those of competitors like Pepsi and Bigi Cola.

1.5 RESEARCH HYPOTHESES

The null versions of the following hypotheses are put forth:

H1: Coca-Cola's competitive advantage in Benin City is not significantly correlated with product differentiation.

H2: Coca-Cola's competitive advantage in Benin City is not significantly correlated with market segmentation.

H3: Strategies for product differentiation have no discernible impact on Benin City consumers' purchase decisions.

H4: In Benin City, market segmentation techniques don't considerably increase client loyalty.

H5: Consumer perceptions of Coca-Cola's unique goods do not significantly differ among Benin City's various demographic categories, including families, professionals, traders, and students.

H6: Coca-Cola Nigeria Plc's difficulties have little bearing on how its market segmentation and product differentiation plans are implemented in Benin City.

H7: Coca-Cola's differentiation and segmentation efforts in Benin City do not significantly differ from those of its competitors, such as Pepsi and Bigi Cola.

1.6 SCOPE OF THE STUDY

The primary goal of this study is to compare the marketing tactics of Coca-Cola Nigeria Plc in Benin City, Edo State, with regard to product differentiation and market segmentation. The focus is on comprehending how these tactics affect customer perception, buying patterns, and competitive advantage in the market for soft drinks. While market segmentation will be investigated in terms of demographic, psychographic, and behavioral categories, product differentiation will be investigated through aspects including flavor, packaging, product quality, and promotional appeals (Kotler & Keller, 2016; Schlegelmilch, 2016). The study also looks at how these tactics stack up against those of competitors like Pepsi and Bigi Cola, who have aggressive pricing and localization efforts to appeal to customers on a budget (Oluwaseun & Emmanuel, 2021).

Due of Benin City's socioeconomic diversity and importance as a commercial center in southern Nigeria, the research is limited geographically. The city is a good place to examine the efficacy of Coca-Cola's marketing methods in a dynamic urban market because of its diverse population, which includes families, professionals, traders, and students (Omoregie & Ighomereho, 2021). To guarantee that the survey includes viewpoints from a variety of market sectors, respondents will be chosen from these various consumer categories. The fierce rivalry in Benin City's beverage sector, which reflects larger national trends in a more concentrated environment, further supports the city's selection.

The study's scope is restricted to the years 2020–2025, during which the Nigerian beverage sector has seen an increase in rivalry, the introduction of new competitors such as Bigi Cola, and the development of customer segments that are health-conscious. Additionally, post-COVID-19 consumption dynamics, which had a major impact on consumer preferences and brand selections, are reflected in this time period (Ezenyilimba, 2020; Adeleke & Aminu, 2022). Although the results will offer insightful information, the scope is restricted to Benin City customer perceptions and might not adequately take into consideration Nigerian rural markets or other urban areas. The study also recognizes that subjective biases and brand loyalty, which are prevalent in perception-based research, may affect consumer answers (Solomon, 2017).

In conclusion, this study is restricted to evaluating Coca-Cola Nigeria Plc's product differentiation and market segmentation strategies in Benin City, as well as how these strategies stack up against those of rivals, in order to shed light on how well these tactics work to maintain competitive advantage in Nigeria's soft drink market.

1.7 SIGNIFICANCE OF THE STUDY

This study is significant because it adds to the body of knowledge in academia and practice about the application of market segmentation and product differentiation as marketing techniques in Nigeria's fiercely competitive beverage sector. Understanding how global firms like Coca-Cola Nigeria Plc modify their tactics for local markets is essential for maintaining competitive advantage in a time when customer tastes and preferences are becoming more and more fluid. In order to maintain market share in the face of increasing competition from rivals like Pepsi and Bigi Cola, which have become well-known due to their aggressive pricing and regional branding, this study will thus shed light on how differentiation and segmentation can be used more successfully (Oluwaseun & Emmanuel, 2021).

From a managerial standpoint, the study will be useful to company managers and marketing specialists working in the Nigerian beverage sector. In order to identify best practices that may be duplicated or enhanced, the research will examine how Coca-Cola uses distinction through packaging, taste, quality, and promotional activities in addition to segmenting its customer base into different groups. Particularly for Coca-Cola Nigeria Plc, the results will highlight the advantages and disadvantages of its present strategies in Benin City and provide suggestions for improving its strategy to better appeal to various customer segments. This is especially crucial in a market where social trends and affordability frequently affect customer loyalty, which is brittle (Adeleke & Aminu, 2022).

The study will add to the body of knowledge on marketing strategy in emerging economies, which makes it important from an academic standpoint. There is no empirical data on how differentiation and segmentation work at the city level in Nigeria, despite the fact that international research highlights their importance in maintaining competitiveness (Kotler & Keller, 2016; Schlegelmilch, 2016). This study will offer city-specific insights using Benin City as a case study, since the majority of research on the Nigerian beverage industry tends to concentrate on national trends (Nwokah & Ogbonda, 2019). Due to regional differences in consumer behavior and the fact that urban marketplaces can reflect different cultural and economic realities than rural ones, this localized perspective is crucial (Omoregie & Ighomereho, 2021).

Because it emphasizes the value of competitive methods in advancing consumer welfare, the study is also important for regulators and policymakers. Regulatory agencies can create rules that promote innovation, fair competition, and consumer protection in Nigeria's beverage industry by having a better understanding of how differentiation and segmentation impact competition (Ezenyilimba, 2020). Lastly, this study offers students and future scholars a helpful point of reference for additional research on marketing tactics in Nigeria and other developing economies, especially in sectors with fierce competition and changing consumer preferences.

CHAPTER TWO

LITERATURE REVIEW

2.1 introduction

A foundation for understanding how differentiation and segmentation impact customer patronage and competitive advantage in the soft drink industry is provided by this chapter, which reviews the literature on product differentiation and market segmentation as comparative market strategies of Coca-Cola Nigeria Plc in Benin City. It does this by outlining pertinent theoretical perspectives, discussing key concepts, and analyzing findings from prior empirical studies

2.2 Conceptual Review

2.2.1 the concept of product differentiation and market segmentation

In order to remain competitive in ever-changing marketplaces, product differentiation and market segmentation are now strategic necessities rather than merely marketing tactics. According to Kotler and Keller (2016) and Grant (2019), differentiation is no longer limited to changing a product's features; it now includes innovation, branding, packaging, pricing, emotional appeal, and the entire customer experience. Conversely, market segmentation has evolved from basic demographic grouping to complex data-driven targeting that matches items to the psychographics, behavior, and lifestyles of consumers (Yankelovich & Meer, 2006; Chinomona & Sandada, 2018).

Differentiation is "the act of making a product unique in ways that buyers value," according to Porter (1980, 1985). Because of the sense of superiority this distinctiveness fosters, businesses are able to charge premium pricing and client loyalty. In a similar vein, Smith (1956) defined market segmentation as the process of breaking down a large market into uniform subgroups, each of which needs a different approach to marketing. Combining segmentation and differentiation guarantees that companies such as Coca-Cola Nigeria Plc not only distinguish themselves from rivals but also successfully satisfy the demands of certain client segments in Benin City and beyond.

Product segmentation and differentiation are viewed as "competitive positioning" strategies from a strategic standpoint (Wind & Bell, 2007). Businesses improve relevance and fortify their market share by customizing their offerings to cater to certain customer segments. Pepsi, Bigi, and up-and-coming local brands compete with Coca-Cola in Nigeria's fiercely competitive beverage market. Coca-Cola maintains its dominance through differentiation through taste consistency, iconic branding, and lifestyle advertising. These tactics, along with segmentation strategies like providing premium products like Schweppes for middle-class to upper-class consumers and inexpensive PET bottles for low-income earners, are examples of how the company does this (Ogunnaike, 2015; Onyema, 2020).

In rising economies such as Nigeria, consumer heterogeneity is also addressed through market segmentation and product differentiation in a socioeconomic context. Urbanization, digitalization, and growing youth populations have changed customer tastes, necessitating that businesses adapt their tactics to these changing lifestyles (Adeola & Evans, 2017; Ezenwakwelu, 2021). Coca-Cola Nigeria, for example, uses segmentation to target young people with digital ads while also setting itself apart from the competition by incorporating cultural icons and supporting regional events in Benin City.

The reach of both ideas has expanded in the twenty-first century. Digital and experiential components like influencer marketing, tailored promotions, and sustainable branding are now part of differentiation (Kotler, Kartajaya & Setiawan, 2021). Segmentation has also progressed, with businesses utilizing psychographic profiling, big data, and artificial intelligence to accomplish micro-segmentation (Dibb & Simkin, 2020). These advancements highlight the reality that market segmentation and product differentiation are dynamic tactics for fostering customer happiness, brand loyalty, and value generation rather than static ones.

Therefore, Coca-Cola's success in the Nigerian soft drink market, especially in Benin City, is a result of both segmentation and differentiation strategies working together. While segmentation makes sure that these diverse products speak to the particular needs of different customer groups, differentiation makes sure that Coca-Cola products are seen as distinctive and appealing. They serve as the cornerstone of Coca-Cola's comparative market strategy and offer an example of long-term competitiveness in intricate marketplaces.

2.2.2 conceptualizing product differentiation and market segmentation

It is commonly acknowledged that market segmentation and product differentiation are fundamental components of contemporary marketing strategy, influencing how businesses position themselves in competitive markets. Product differentiation is the conscious attempt to differentiate a product from rivals by making it special in ways that are significant to customers (Porter, 1985; Kotler & Keller, 2016). Conversely, market segmentation allows businesses to create customized marketing tactics for each segment by breaking down a diverse market into smaller groups of consumers with comparable demands, habits, or traits (Smith, 1956; Yankelovich & Meer, 2006).

Product differentiation is conceptually both psychological and functional. While psychological differentiation is related to brand image, emotional appeal, or customer experience, functional differentiation is related to physical characteristics like packaging, flavor, design, quality, or pricing (Grant, 2019; Ezenwakwelu, 2021). Coca-Cola Nigeria Plc, for instance, sets itself apart from the competition with its consistent flavor, global brand recognition, and regional advertising campaigns that speak to Nigerian culture and way of life (Ogunnaike, 2015; Onyema, 2020).

On the other hand, segmentation functions on several levels. According to Kotler et al. (2021), there are four main bases for segmentation: behavioral (use, loyalty), psychographic (lifestyle, values), geographic (location), and demographic (age, gender, income). Coca-Cola employs behavioral segmentation by rewarding devoted customers with promotions and campus activations, psychographic segmentation by aligning with lifestyle branding, and demographic segmentation by targeting youths and students with reasonably priced PET bottles in Benin City (Adeola & Evans, 2017; Chinomona & Sandada, 2018). This illustrates how segmentation matches unique techniques with a diverse consumer base.

Understanding how these techniques are interdependent is essential to comprehending them. While segmentation without distinction runs the risk of becoming irrelevant in competitive marketplaces, differentiation without segmentation runs the risk of providing uniqueness to the incorrect audience (Wind & Bell, 2007). Coca-Cola employs both strategies by marketing Coca-Cola Classic as a reasonably priced beverage for the general public and positioning Schweppes and Coke Zero for premium and health-conscious consumers. This kind of alignment demonstrates how segmentation and differentiation work together to increase customer loyalty.

More recent viewpoints have broadened the ideas. The emphasis on physical characteristics has given way to experiential and digital distinction, including influencer collaborations, tailored content, and sustainability projects (Kotler, Kartajaya & Setiawan, 2021). Similarly, segmentation has developed into micro-segmentation, which uses artificial intelligence and big data to customize campaigns on a per-person basis (Dibb & Simkin, 2020). For businesses like Coca-Cola, which must strike a balance between general appeal and targeted marketing, these changes are especially pertinent in Nigeria, where consumer markets are extremely diversified.

2.2.3 dimensions of product differentiation and market segmentation

Market segmentation and product differentiation are multifaceted ideas that can be comprehended from behavioral/experiential, emotive, and cognitive perspectives. Each of these aspects demonstrates the various ways businesses create, convey, and maintain competitive strategies to appeal to a range of customer segments.

Cognitive Dimension

The knowledge-based tactics used by businesses to comprehend markets and create distinctive value propositions are related to the cognitive dimension of differentiation and segmentation. It includes tasks including consumer profiling, market analysis, product positioning, and feasibility evaluation (Kotler & Keller, 2016; Dibb & Simkin, 2020). Businesses like Coca-Cola Nigeria Plc can use cognitive efforts to evaluate the needs of various consumer groups in Benin City, divide the market into demographic (professionals, families, students) and psychographic (lifestyle preferences) segments, and create unique products that appeal to these groups. According to recent research, cognitive tactics like analytics-driven segmentation and consumer insights greatly improve customer happiness and brand positioning (Chinomona & Sandada, 2018; Adeola & Evans, 2017). Thus, the basis for successful competitive market tactics is laid by the cognitive dimension.

Affective Dimension

The emotional and psychological components of segmentation and differentiation are highlighted by the affective dimension. It has to do with how customer experiences, branding, and advertising arouse emotions, values, and attitudes that affect buying decisions (Sengupta, 2020; Kotler, Kartajaya & Setiawan, 2021). Coca-Cola's worldwide marketing initiatives, such as "Share a Coke" or holiday-themed ads, serve as examples of how emotive tactics promote brand loyalty. Coca-Cola uses its sponsorships of youth and cultural events in Benin City to connect emotionally with its customers. Research shows that in emerging countries, affect-driven differentiation—like nostalgia marketing and lifestyle branding—significantly increases customer loyalty (Onyema, 2020; Ezenwakwelu, 2021). This illustrates how the affective dimension aids in converting unique products into markers of identity and community for audiences that are divided into diverse segments.

Behavioral/Experiential Dimension

The concrete encounters and experiences that customers have with unique products and segmented offerings are the main focus of the behavioral or experiential dimension. This covers direct consuming experiences, influencer involvement, loyalty programs, product sampling, and innovative packaging (Grant, 2019; Kotler et al., 2021). Coca-Cola Nigeria operationalizes this through student-friendly activations on Benin City university campuses, premium Schweppes varieties for elite customers, and tiny, reasonably priced PET bottles for consumers who are price conscious. Consumer preference and purchase intention have been proven to be strongly influenced by experiential techniques such reward programs, promotional events, and taste tests (Ogunnaike, 2015; Onyema, 2020). The experiential dimension, which is based on the theory of consumer behavior, guarantees that segmentation and differentiation are experienced realities that influence consumer choice rather than theoretical concepts.

2.2.4 Consumer Purchase Intention: The Psychological Foundation of Differentiation and Segmentation

The deliberate choice and dedication of a person to purchase a specific brand or product in the future is referred to as consumer purchase intention. According to Ajzen (1991) and Dodds, Monroe, and Grewal (1991), it is seen to be a reliable indicator of real purchase behavior. Stated differently, brand differentiation and segmentation techniques are unlikely to result in actual sales if there is no buy intention. Therefore, purchase intention can be defined as a consumer's mental preparation and decision to choose a product based on its perceived suitability and uniqueness. It shows how willing a customer is to convert marketing stimuli into purchases. The essence of purchasing intention is the personal determination to select one thing over alternatives before making any purchases.

Why Purchase Intention Matters

Purchase intention is a purposeful, goal-directed mental state that affects customer decision-making rather than a passing interest in a product (Fishbein & Ajzen, 2010). To maintain market leadership, businesses such as Coca-Cola Nigeria Plc must comprehend and encourage buying intention. Whether consumers choose Coca-Cola, Pepsi, Bigi, or other local brands in Benin City's fiercely competitive soft drink market depends on their buying purpose. While segmentation guarantees that these techniques are focused on the most pertinent customer groups, differentiation tactics including flavor consistency, distinctive packaging, and emotive advertising campaigns seek to reinforce positive buy intentions (Kotler & Keller, 2016; Onyema, 2020).

When people have a strong desire to buy something, they are more likely to:

- favor a single brand over rival options;
- Encourage others to try the brand;
- Take part in marketing initiatives;
- Encourage repeat business and loyalty;
- Connect the brand to your social or personal identity (Sengupta, 2020; Chinomona & Sandada, 2018).

What Influences Consumer Purchase Intention?

Purchase intention is influenced by a number of elements, including as price perception, advertising, peer pressure, cultural values, product differentiation, and alignment with segmentation (Ezenwakwelu, 2021; Adeola & Evans, 2017). For example, price is important in Benin City since many low-income earners and students choose smaller Coca-Cola PET bottles or sachet beverages. Youths are also influenced by lifestyle branding since they associate Coca-

Cola with social events and cultural gatherings. Influencer endorsements and social media initiatives also boost brand appeal and customer purchase intent.

Purchase intention is further influenced by demographic variables like age, income, and education. While middle-aged professionals may prioritize quality, prestige, and health considerations, leading them to select premium variations like Schweppes or Coca-Cola Zero, young customers are more receptive to experiential marketing and digital promotions (Grant, 2019; Kotler et al., 2021).

Differentiation, Segmentation, and Intention Formation

Strategies for product differentiation and segmentation are essential for increasing consumer purchase intention. Brand distinctiveness is produced by differentiated qualities like taste, packaging, and emotional appeal, and segmentation makes sure that these special qualities appeal to the appropriate consumer base. For instance, by linking the beverage to enjoyment, camaraderie, and affordability, Coca-Cola's sponsorship of youth-oriented events in Benin City not only increases brand awareness but also fortifies students' purchase intentions.

According to academics, intention serves as the psychological link that connects marketing tactics to real conduct (Ajzen, 1991; Dodds et al., 1991). Customers are more likely to make a purchase and show brand loyalty when they believe Coca-Cola is both distinctive and suited to their lifestyle (Onyema, 2020; Sengupta, 2020).

Therefore, customer purchase intention serves as the psychological underpinning of effective differentiation and segmentation strategies, much like entrepreneurial intention serves as the basis for venture formation. Aligning product distinctiveness with targeted segmentation guarantees that consumer intents are successfully translated into enduring market patronage for Coca-Cola Nigeria Plc in Benin City.

2.2.5 The Relationship Between Product Differentiation, Market Segmentation, and Consumer Purchase Intention

The majority of the numerous research that have examined the potential significant impact of product differentiation and market segmentation on consumer purchase intention and overall market performance indicate a strong positive correlation. While differentiation produces distinctiveness that draws in customers, segmentation makes sure that this distinctiveness appeals to the appropriate group, increasing the possibility that a purchase will be made.

For example:

- Dodds, Monroe, and Grewal (1991) discovered that customers' propensity to buy is positively impacted by distinction through perceived quality and brand image.
- According to Adeola and Evans (2017), segmentation strategies in African marketplaces help businesses better target consumer segments, which strengthens the bond between the brand and its customers.
- In Nigeria's soft drink market, Onyema (2020) discovered that distinct product positioning has a major impact on consumer consumption, particularly when connected to demographic and psychographic segmentation.
- According to Chinomona and Sandada (2018), segmentation techniques that take into account the lifestyle and behavior of consumers likely to encourage loyalty and repeat business in African consumer markets.

Both tactics are essential to influencing customer loyalty and intention in the context of Coca-Cola Nigeria Plc. Brand distinctiveness is created through differentiation, which includes creative packaging, emotional advertising, and consistent taste. Targeting young people, professionals, students, and luxury buyers through segmentation guarantees that the distinctiveness is aimed at the most pertinent Benin City market groups. When combined, these tactics increase brand loyalty and buy intention (Ogunnaike, 2015; Ezenwakwelu, 2021).

But academics also emphasize that how well differentiation and segmentation are implemented determines how effective they are. For instance, Kotler and Keller (2016) believe that poorly stated distinction may fail to influence consumer perception, while bad segmentation may lead to misaligned marketing. According to Wind and Bell (2007), segmentation without significant differentiation may not result in purchase intention, while differentiation without appropriate segmentation might lead to resource waste.

Cultural alignment, digital engagement, and environmental initiatives are more important to current customers than product characteristics, especially in emerging economies, according to recent studies (Kotler, Kartajaya, & Setiawan, 2021; Sengupta, 2020). This implies that Coca-Cola's use of experiential marketing and targeted segmentation in Benin City enhances not just purchase intention but also long-term loyalty.

Therefore, although market segmentation and product differentiation have a lot of promise, their influence on consumer purchase intention and market performance depends on their inventiveness, alignment, and ability to adapt to shifting consumer demands. This synergy helps Coca-Cola Nigeria Plc in Benin City maintain its dominance in the face of growing competition from Pepsi and local substitutes like Bigi.

2.2.6 Importance of Product Differentiation and Market Segmentation

It is impossible to overestimate the significance of product differentiation and market segmentation in the cutthroat business world of today, especially in the beverage sector of emerging nations like Nigeria, where consumer tastes vary widely and competition is fierce. Global companies like Coca-Cola Nigeria Plc rely on segmentation to make sure their products appeal to certain customer groups in Benin City, while differentiation keeps their products distinctive and appealing.

A. Importance of Product Differentiation

One tactic for making your product stand out from the competition is to differentiate it from the competition. It enables businesses to compete on more than just price, which promotes long-term profitability and brand loyalty (Porter, 1985; Kotler & Keller, 2016). Coca-Cola Nigeria Plc uses distinctive branding, creative packaging, emotional advertising campaigns that speak to customer lives, and consistent taste to create distinctiveness.

Some of the key reasons why product differentiation is important include

1. Brand loyalty and a competitive advantage: Businesses may stand out in crowded markets by differentiating themselves. According to studies, customers are more inclined to stick with brands they believe to be distinctive and of higher quality (Grant, 2019; Onyema, 2020). For example, Coca-Cola's contour bottle design, red logo, and connotation of joy and celebration foster great customer loyalty in Benin City.

2. Creating Value and Charging High Prices: When customers identify differentiated items with prestige or exceptional experiences, they tend to command higher prices and occasionally permit premium pricing (Ezenwakwelu, 2021). Coca-Cola exemplifies this by providing high-end varieties like Schweppes and Coke Zero that are marketed to consumers who are health-conscious and have higher incomes.

3. Market adaptation and innovation: In order to satisfy changing consumer demands, differentiation pushes businesses to constantly innovate by launching new flavors, healthier substitutes, or culturally appropriate marketing campaigns (Kotler, Kartajaya & Setiawan, 2021). The launch of smaller, less expensive PET bottles is a differentiating strategy for Coca-Cola in Nigeria that responds to the financial realities of low-income consumers.

B. Importance of Market Segmentation

A product's distinctiveness is created via differentiation, while its alignment with the appropriate consumer groups is ensured by segmentation. In order for businesses to create more successful strategies, market segmentation is the process of breaking a varied market into homogeneous groupings (Smith, 1956; Dibb & Simkin, 2020). Segmentation enables Coca-Cola Nigeria to simultaneously appeal to Benin City's luxury customers, students, and general consumers.

The following are some major justifications for the significance of segmentation:

1. Effective Allocation of Resources: By directing marketing resources toward specific target groups, segmentation assists businesses in avoiding the "one-size-fits-all" strategy (Yankelovich & Meer, 2006). For instance, Schweppes' premium advertising targets professionals, whereas Coca-Cola's campus promos are tailored especially for Benin City students.

2. Retention and Customer Satisfaction: Segmentation improves customer happiness and retention by matching items to needs. According to research, when products satisfy their behavioral, psychographic, or demographic preferences, customers are more likely to make additional purchases (Chinomona & Sandada, 2018; Adeola & Evans, 2017).

3. Market Growth and Infiltration: Businesses can find underserved niches and broaden their reach by using segmentation. Through a variety of distribution methods, Coca-Cola uses regional segmentation to reach both rural communities and urban areas like Benin City in Nigeria (Ogunnaike, 2015).

4. Innovation and Marketing Driven by Data: Big data, analytics, and artificial intelligence are currently used in segmentation to accomplish micro-segmentation and customized marketing due to technological improvements (Dibb & Simkin, 2020). This makes it possible for Coca-Cola to interact with customers through influencer marketing, digital promotions, and tailored campaigns that strengthen their desire to buy.

Integration of Differentiation and Segmentation

Even while individual tactic is significant, their combined use is more effective. While segmentation without distinction runs the risk of becoming irrelevant in competitive marketplaces, differentiation without segmentation runs the risk of providing uniqueness to the incorrect audience (Wind & Bell, 2007). The combination of the two guarantees that Coca-Cola in Benin City's iconic brand stays competitive and relevant, appealing to professionals, students, and mass customers all at once.

In conclusion, market segmentation and product differentiation are essential for long-term market domination, customer loyalty, and enhancing buy intention in addition to brand survival.

2.2.7 Product Differentiation and Market Segmentation Strategies of Coca-Cola in Benin City: How Far Have They Gone?

Coca-Cola Nigeria Plc has used market segmentation and product differentiation strategies in Benin City through its main Coca-Cola brand and its subsidiaries, including Fanta, Sprite, Schweppes, and Coke Zero. Iconic branding, consistent flavor, creative packaging (such PET bottles in different sizes), and emotionally stirring advertising campaigns have all been used to create differentiation. By designing products for distinct consumer groups, market segmentation has also been actively pursued. For example, inexpensive mini bottles are marketed to students and low-income earners, while premium products like Schweppes and Coke Zero appeal to middle- and upper-class consumers (Ogunnaike, 2015; Adeola & Evans, 2017).

By supporting youth-focused events, participating in campus activations at the University of Benin, and adopting digital initiatives that appeal to young customers, Coca-Cola has strengthened its segmentation approach in Benin City in recent years. This is consistent with research demonstrating the growing importance of digital interaction and experiential marketing in emerging market segmentation (Chinomona & Sandada, 2018; Kotler, Kartajaya & Setiawan, 2021).

But problems still exist. Coca-Cola has a solid reputation around the world, but rivalry from rivals like Pepsi and Bigi has gotten fiercer. Due to its vast variety of tastes and reasonable prices, Bigi in particular has successfully entered the Nigerian market, attracting budget-conscious customers (Ezenwakwelu, 2021). While Coca-Cola's differentiation techniques provide high brand equity, Onyema (2020) notes that the growing popularity of less expensive alternatives shows that differentiation alone might not be enough to maintain market dominance in the absence of ongoing innovation and price-sensitive segmentation.

According to field-based research, even though Coca-Cola is extensively consumed in Benin City, some customers believe that its products are more expensive than local substitutes. This is particularly true for low-income workers and students, who frequently turn to replacements during recessions (Adeola & Evans, 2017; Onyema, 2020). Furthermore, in contrast to Coca-Cola's nationwide campaigns, localized differentiation—such as incorporating cultural themes into advertising—remains limited. This disparity points to a chance for more in-depth community involvement and locally appropriate product strategy.

Coca-Cola's segmentation and differentiation strategies in Benin City have been mediocrely successful in spite of these obstacles. The business has kept its iconic status and is still in control of important market sectors, especially middle-class and urban youth. However, maintaining this position calls for further investment in micro-segmentation, more aggressive adaptation to local economic realities, and creative difference beyond branding, such as marketing that is driven by sustainability and health-focused versions (Dibb & Simkin, 2020; Kotler et al., 2021).

Marketing Strategy

2.2.8. Market strategy

A marketing strategy is the all-encompassing approach that a company uses to find, draw in, and keep consumers by providing exceptional value. To achieve long-term competitive advantage and organizational objectives, it incorporates all four components of the marketing mix: product, price, place, and promotion (Kotler & Keller, 2020). Because it represents the total result of how successfully Coca-Cola Nigeria Plc uses product differentiation and market segmentation within Benin City, marketing strategy is the dependent variable in this situation.

A marketing strategy, according to Aremu, Adeyemi, and Olaoye (2020), is a planned collection of actions that directs how a company competes, who it serves, and how it outperforms competitors in satisfying target customers. It establishes the company's place in the market and how it presents its value proposition. For Coca-Cola Nigeria, this entails customizing its products, messaging, and distribution methods to meet the demands of various customer segments, including workers, families, traders, and students in various parts of Benin City.

According to Osuagwu (2021), a successful marketing strategy builds long-term profitability and client loyalty by combining creativity and market information. Coca-Cola accomplishes this through regional promotions that appeal to Nigerian consumers, emotional advertising (such as "Share a Coke" campaigns), and a consistent brand identity. Coca-Cola maintains its market leadership and builds brand equity by matching its strategy to the cultural and economic environment of its consumers.

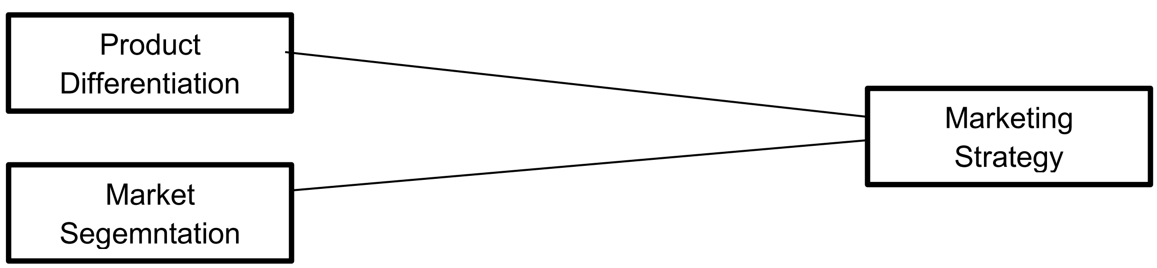
Additionally, the firm's reaction to market dynamics and rivalry is included in marketing strategy. Porter (1985) emphasized that segmentation and differentiation tactics are the cornerstones of a successful marketing strategy, allowing businesses to provide distinctive value that rivals find difficult to match. Coca-Cola's product diversification in the Nigerian beverage market, such as the launch of various container sizes and variations like Coke Zero and Fanta Apple, shows adaptive strategic marketing in reaction to shifting consumer preferences (Adeola & Evans, 2019).

According to Ebitu and Mba (2022), metrics including rising sales volume, customer happiness, and market share growth can be used to gauge the success of a marketing plan. Because its effectiveness depends on how well Coca-Cola employs product differentiation and market segmentation, marketing strategy is regarded as the dependent variable in this study. Stronger marketing outcomes, including increased patronage, customer loyalty, and enhanced competitive positioning within Benin City, result from the proper application of these independent variables.

2.2.9 Conceptual Framework

The structural foundation for arranging the important variables and anticipated correlations in a research investigation is provided by a conceptual framework. In the context of Coca-Cola Nigeria Plc in Benin City, it emphasizes how the independent variables—product differentiation and market segmentation—are anticipated to affect the dependent variable, which is customer purchase intention.

Given the intense competitiveness and wide range of consumer tastes in Nigeria's soft drink market, this paradigm is especially pertinent there. While segmentation guarantees that these distinctive products are directed towards the appropriate consumer groups, differentiation enables businesses to stand out through distinctive value propositions (Kotler & Keller, 2016; Grant, 2019). When combined, these tactics influence customer purchase intention, which represents consumers' psychological resolve to choose a certain brand or product over competing options (Ajzen, 1991; Dodds, Monroe & Grewal, 1991).



Relationship between Product Differentiation, Market Segmentation, and Consumer Purchase Intention in Coca-Cola Nigeria Plc

Market segmentation and product differentiation are complementary marketing strategies that influence customer purchasing decisions rather than existing as separate ideas. By incorporating both tangible (like packaging, flavors, and pricing) and intangible (like branding, emotional appeal, and cultural linkage) elements into Coca-Cola products, differentiation produces uniqueness (Ogunnaike, 2015; Onyema, 2020). In consequence, market segmentation guarantees that these unique items appeal to specific consumer segments, such as professionals, students, or high-end customers in Benin City (Adeola & Evans, 2017; Chinomona & Sandada, 2018).

Product differentiation, on the one hand, offers the framework for establishing distinctiveness and perceived quality. However, segmentation makes sure that the appropriate audiences receive these unique offerings, which increases the likelihood that they will make a purchase. According to research, customer loyalty and repurchase behavior rise dramatically when segmentation and differentiation are in harmony (Ezenwakwelu, 2021; Sengupta, 2020).

Human Capital Theory states that while segmentation guarantees the effective use of marketing resources, investments in creating brand uniqueness through product differentiation boost the firm's competitiveness (Becker, 1993; Dibb & Simkin, 2020). Coca-Cola Nigeria Plc views investments in creative packaging, branding, and regional marketing as strategic capital. Segmentation makes sure that this capital yields profits through focused customer interaction. Similarly, sentiments (favorable opinions of the brand), subjective norms (influence from peers or society), and perceived behavioral control (ability to acquire and obtain the product) all influence consumer purchase intentions, according to Ajzen's Theory of Planned Behavior (1991). While segmentation affects norms and behavioral control by guaranteeing cost and accessibility for specific groups, differentiation affects attitudes by improving perceived worth and distinctiveness (Kotler et al., 2021; Onyema, 2020).

Moreover, there is context-specificity in the interaction between these notions. Nigeria's beverage market is influenced by cultural variety, young populations, and financial limitations. Coca-Cola's smaller PET bottles in Benin City solve issues of cost, while premium brands like Schweppes cater to those with higher incomes. These tactics demonstrate how segmentation and differentiation work together to promote purchase intention in the context of local market conditions (Adeola & Evans, 2017; Ezenwakwelu, 2021).

Purchase intention is a powerful predictor of consumer activity, even though it may not necessarily result in real purchase behavior (Fishbein & Ajzen, 2010; Dodds et al., 1991). Strong differentiation and successful segmentation techniques help Coca-Cola Nigeria Plc maintain its market leadership in the face of growing competition from Pepsi and Bigi by increasing the possibility that consumer intentions would translate into regular purchases.

2.3 Theoretical Literature Review

2.3.1 Differentiation Strategy Theory

First introduced by Michael Porter in 1980 and 1985, Differentiation Strategy Theory is one of the most important theories in the fields of marketing and strategic management. Differentiation focuses on providing customers with distinctive value by providing goods and services that set you apart from the competition, in contrast to cost leadership, which prioritizes efficiency and price reduction. Porter posited that successful businesses gain a competitive edge by providing distinctiveness that customers value, enabling them to command premium pricing and, in certain situations, loyalty.

Fundamentally, distinction is based on the idea that consumers are driven by perceived value, quality, brand reputation, and emotional connection in addition to price (Grant, 2019; Kotler & Keller, 2016). Differentiation has been a key tactic used by Coca-Cola Nigeria Plc to maintain its market domination in Benin City and elsewhere. Consistent taste, iconic branding, distinctive packaging designs, worldwide recognition, and emotive advertising campaigns that link Coca-Cola to joy, camaraderie, and celebration are some of the ways the brand sets itself apart (Ogunnaike, 2015; Onyema, 2020).

Differentiation can take place in a number of areas, such as customer service, technology, brand image, product characteristics, and experiential marketing. Coca-Cola Nigeria, for example, uses packaging innovations (PET bottles of different sizes), flavor diversity (Coke Zero, Fanta, Sprite, Schweppes), and emotional branding through culturally relevant ads to stay relevant in a variety of consumer segments (Ezenwakwelu, 2021; Kotler, Kartajaya & Setiawan, 2021). These characteristics produce a sense of distinctiveness that increases purchase intention and fosters customer loyalty.

The differentiation strategy's acknowledgement of consumer perception as a source of competitive advantage is one of its main contributions. Differentiation works when customers are prepared to spend more or stick with a brand because they see added value, as noted by Porter (1985). This is in line with contemporary theories of consumer behavior that emphasize the importance of psychological and affective elements in purchasing decisions, including identification, trust, and emotional attachment (Sengupta, 2020; Chinomona & Sandada, 2018). This is clear for Coca-Cola in Benin City, where the brand is honored as a lifestyle icon at social events, cultural gatherings, and student activities in addition to being consumed as a beverage.

Additionally, differentiation makes businesses more resilient to competition in the market. Coca-Cola's strategy of differentiation allows it to maintain customer loyalty even when confronted with tough competitors like Pepsi and Bigi. Coca-Cola's focus on legacy, global reputation, and aspirational branding ensures that it continues to be the preferred choice for many consumers, even though Bigi appeals to cost-conscious consumers with lower prices and a wider variety of flavors (Adeola & Evans, 2017; Onyema, 2020). This supports Porter's claim that, when done correctly, differentiation helps businesses shield themselves from rivals by forging a distinctive brand identity that is hard to imitate.

The differentiation strategy has been further broadened to incorporate digital and sustainability aspects by recent advancements in marketing. These days, businesses set themselves apart through eco-friendly procedures, social media interaction, and technology-driven customisation (Kotler et al., 2021). Coca-Cola Nigeria has started implementing these tactics by interacting with customers online, supporting activities aimed at young people, and launching recyclable packaging. These actions show a move away from traditional differentiation (branding and product) and toward more socially conscious, modern differentiation that speaks to the values of modern consumers (Dibb & Simkin, 2020; Ezenwakwelu, 2021).

2.3.2 Theory of Planned Behaviour (TPB)

One of the most important models for forecasting consumer behavior is the Theory of Planned Behavior (TPB), which was put forth by Icek Ajzen in 1985 as an expansion of the Theory of Reasoned Action (TRA). TPB includes perceived behavioral control (PBC) to account for activities over which people may not have total control, in contrast to TRA, which primarily focused on volitional behaviors (Ajzen, 1985, 1991). TPB is frequently used in marketing situations to comprehend how attitudes, social norms, and perceived control influence consumers' purchase intentions, which in turn influence their actual purchasing behavior.

Ajzen (1991) asserts that three interconnected constructs—attitude toward the behavior, subjective norm, and perceived behavioral control—are the source of behavioral intention, the most direct predictor of actual behavior.

An individual's assessment of the effects of buying a product is reflected in their attitude toward the behavior. For instance, a Benin City customer who thinks Coca-Cola consistently provides quality, prestige, and refreshment is probably going to have a positive opinion about purchasing it (Kotler & Keller, 2016; Onyema, 2020). Differentiation tactics, like the inventive packaging and emotional branding of Coca-Cola, are crucial in fostering these favorable sentiments.

Perceived social pressure to engage in (or refrain from) a behavior from peers, family, or society is referred to as a subjective norm. Social influence has a significant impact on purchasing decisions in collectivist societies like Nigeria (Hofstede, 2001; Chinomona & Sandada, 2018). Coca-Cola positions itself as the socially acceptable option in Benin City by sponsoring community events and being linked to social gatherings, which serves to reinforce subjective norms.

Like Bandura's (1997) self-efficacy, perceived behavioral control (PBC) refers to a consumer's confidence in their capacity to carry out the behavior. This frequently translates into availability, affordability, and accessibility in consumer contexts. By making the product available to a range of income levels, Coca-Cola's segmentation strategies—such as introducing luxury versions like Schweppes for high-income groups and inexpensive tiny PET bottles for students and mass consumers—strengthen PBC (Adeola & Evans, 2017; Ezenwakwelu, 2021).

TPB makes the assumption that people make conscious judgments about what to buy by weighing the pros and cons of various options (Ajzen & Fishbein, 2005). In the case of Coca-Cola, differentiation and segmentation are marketing tools that shape intention by influencing consumer assessments (attitude), reaffirming social acceptability (subjective norms), and lowering purchasing barriers (PBC). Purchase intention is a powerful predictor of actual buying behavior when these three characteristics are positively aligned, according to empirical studies (Dodds, Monroe & Grewal, 1991; Sengupta, 2020).

However, TPB has been criticized for undervaluing the influence of situational triggers, habits, and emotions on consumer decision-making. Outside the realm of logical analysis, emotional branding, nostalgia, and impulsive purchasing frequently affect beverage purchases (Armitage & Conner, 2001; Kotler, Kartajaya & Setiawan, 2021). Furthermore, in dynamic economies like Nigeria, where cultural and economic transformations constantly reconfigure purchasing intentions, TPB may not accurately reflect changing consumer preferences due to its traditional cross-sectional design (Ezenwakwelu, 2021).

TPB offers a thorough, theory-driven road map for comprehending how differentiation and segmentation tactics affect customer behavior in the context of Coca-Cola Nigeria Plc in Benin City. While segmentation guarantees affordability and cultural fit, differentiation improves sentiments about Coca-Cola goods, and both tactics work together to increase buy intention and ensuing customer loyalty. This study uses TPB to pinpoint the psychological processes that link Coca-Cola's marketing tactics to real customer purchase results.

2.3.3 Consumer Behaviour Theory

The goal of consumer behavior theory is to clarify how and why people, groups, or organizations decide which products and services to buy, use, and discard (Schiffman & Wisenblit, 2019). Fundamentally, the theory combines economics, psychology, and sociology to emphasize the internal and external factors—such as perception, motivation, learning, attitudes, culture, and reference groups—that impact consumer decisions (Solomon, 2020).

Because Coca-Cola Nigeria Plc's product differentiation and segmentation efforts are intended to appeal to consumer psychology and cultural values, consumer behavior theory is extremely pertinent in this company's context. For example, Fanta appeals to younger consumers who like sweet and fun-flavored soft drinks, whereas Coca-Cola Zero Sugar targets health-conscious consumers by lowering calorie concerns (Onyema, 2020). The theory of consumer behavior explains why some Benin City consumers might stick with Coca-Cola in spite of other brands like Pepsi, Bigi, or La Casera.

Furthermore, social and cultural factors are quite important. Coca-Cola's presence at social events, religious gatherings, and family festivities encourages brand loyalty among Nigerians, who frequently drink soft drinks during these occasions (Ezenwakwelu, 2021). Understanding customer motivations enables Coca-Cola to improve its segmentation strategies and differentiation tactics (such as emotive branding campaigns like "Share a Coke") to better suit the tastes, incomes, and lifestyles of various market segments in Benin City.

2.3.4 Diffusion of Innovation Theory

Everett Rogers (1962/2003) created the Diffusion of Innovation (DOI) Theory, which describes how novel concepts, goods, and methods proliferate throughout people. According to perceived risks, rewards, and social impact, consumers are divided into five groups: innovators, early adopters, early majority, late majority, and laggards. Each group adopts a product at a distinct stage (Rogers, 2003).

The DOI hypothesis, when applied to Coca-Cola Nigeria, sheds light on how unique products—like Coca-Cola Zero Sugar, Schweppes variations, or bottled water brands like Eva—are accepted in niche markets. Urban Benin City's health-conscious consumers, for example, might be early adopters of Coca-Cola Zero, but rural or lower-income consumers might put off adoption because they are price sensitive or are accustomed to the standard Coke brand.

This approach emphasizes how crucial segmentation is for controlling adoption rates among various customer groups. Coca-Cola guarantees that its inventions spread broadly throughout socioeconomic strata by presenting its products differently (for example, offering luxury Schweppes for professionals and inexpensive mini-PET bottles for students). Additionally, DOI emphasizes how opinion leaders and influencers may speed up adoption; Coca-Cola often uses this tactic in Nigeria through campus activations and celebrity endorsements (Nwankwo & Ajemunigbohun, 2020).

2.3.5 Resource-Based View (RBV) of the Firm

Resources that are valuable, rare, unique, and non-substitutable (VRIN) are the source of a firm's sustained competitive advantage, according to the Resource-Based View (RBV), which was made popular by Barney (1991). Distribution networks and financial resources are examples of tangible resources; brand reputation, organizational culture, and knowledge are examples of intangible resources. RBV is very important for Coca-Cola Nigeria Plc's product segmentation and differentiation.

Coca-Cola has intangible assets that are difficult for rivals to match, such as its global reputation, proprietary recipe, and brand equity. In the meantime, its distribution network, which guarantees availability in Benin City's rural and urban marketplaces, reinforces its segmentation approach by ensuring access to all lifestyle and income categories (Adeola & Evans, 2017).

Coca-Cola also uses its marketing tools, such sports sponsorships, experiential marketing, and emotive branding, to set itself apart from the competition (Kotler & Keller, 2016). Despite growing local competition from companies like Pepsi and Bigi Cola, Coca-Cola maintains a competitive edge in Nigeria's soft drink market by matching its precious and uncommon resources with specific market niches. Therefore, RBV illustrates not just how Coca-Cola stands out but also why such tactics continue to work in the Nigerian market.

2.3.6 Brand Equity Theory

According to Aaker's (1991) and Keller's (1993) Brand Equity Theory, a product's brand name adds value. It includes aspects like perceived quality, brand connotations, brand loyalty, and brand awareness. Businesses may command premium pricing, withstand pressure from the competition, and cultivate enduring relationships with customers when they have strong brand equity (Keller, 2013).

Brand equity theory has a direct bearing on Coca-Cola Nigeria Plc's segmentation and differentiation tactics. Through emotional branding ("Open Happiness"), unique packaging (red label, contour bottle), and cultural integration (supporting Nigerian festivals and sports), Coca-Cola has continuously set itself out from the competition. These initiatives create powerful brand connections and guarantee that customers view Coca-Cola as a representation of joy, camaraderie, and unity rather than just a beverage (Kotler, Kartajaya & Setiawan, 2021).

By ensuring that Coca-Cola appeals to a variety of Benin City consumer groups, segmentation further enhances brand equity. For instance, while premium items like Schweppes and Coke Zero enhance associations with lifestyle and health-conscious consumers, more reasonably priced products like mini-packs foster brand loyalty among students and low-income earners. In order to ensure that various consumer groups see unique value that corresponds with their identity and purchasing power, Coca-Cola's brand equity is not consistent but rather deliberately maintained across segments (Chinomona & Sandada, 2018).

2.4 EMPIRICAL REVIEW

In the last twenty years, market segmentation and product differentiation have become major topics in marketing research, especially in the fast-moving consumer goods (FMCG) sector. The main tools used by businesses to gain market share, customer preference, and brand loyalty in competitive beverage markets—where goods frequently have similar basic attributes—are differentiation and segmentation (Kotler & Keller, 2016; Sengupta, 2020). In Nigeria, where Coca-Cola Plc faces competition from Pepsi, Bigi, and other regional brands in a dynamic environment influenced by cultural variety, income inequality, and youth-driven consumption habits, this is particularly clear.

Numerous studies conducted worldwide have confirmed how differentiation shapes consumer preferences. Heding, Knudtzen, and Bjerre (2020), for example, discovered that in highly crowded marketplaces, brand identity tactics like emotional branding and cultural positioning have a major impact on purchase intention. In a similar vein, Keller (2013) showed that companies that employ strong differentiation strategies—whether through packaging, product innovation, or brand associations—enjoy premium pricing and greater customer loyalty. Coca-Cola, which has continuously used emotional ties, product extensions, and innovative packaging to maintain its dominance in the world, is directly affected by these findings.

Empirical studies demonstrate how segmentation helps businesses in African marketplaces deal with socioeconomic and cultural diversity. In research of South African consumers, Chinomona and Sandada (2018) found that demographic and psychographic segmentation had a substantial impact on beverage purchasing habits, with affordability and cultural resonance appearing as the main motivators. Similarly, Adeola and Evans (2017) stressed that businesses need to modify their segmentation strategies in emerging countries to account for variations in income levels, rates of urbanization, and desired lifestyles. This reasoning is used by Coca-Cola Nigeria, which offers Schweppes for upwardly mobile consumers, mainstream Coca-Cola for the mass market, and mini-PET bottles for low-income earners.

Nigerian empirical research has produced verifiable proof of the impact Coca-Cola's segmentation and differentiation tactics have on customer loyalty. Consumer loyalty to Coca-Cola over Pepsi in southeast Nigeria was found to be significantly impacted by brand positioning through advertising and emotional appeals, according to Onyema (2020). According to Ezenwakwelu (2021), Coca-Cola's sponsorship of cultural events and usage of a variety of packaging improved consumer attachment, especially among younger urban groups. These results are in line with those of Nwankwo and Ajemunigbohun (2020), who came to the conclusion that experiential marketing, including campus activations and event sponsorships, strengthens segmentation by attracting young people and university students in Nigeria.

More precisely, research shows that Coca-Cola's segmentation tactics are crucial in reaching the city's varied customer base in the Benin City setting. According to Edeh, Ugwu, and Ifeanacho (2022), because of their affordability and compatibility with their lifestyles, Edo State's students and young professionals were more receptive to unique product options including mini-PET bottles and Coca-Cola Zero Sugar. This implies that Coca-Cola's segmentation focuses on lifestyle goals and health consciousness in addition to income levels. However, the same report pointed out that obstacles like Bigi Cola's price rivalry and some demographics' allegiance to Pepsi restrict Coca-Cola's market share.

The significance of these tactics is further supported by data from the National Bureau of Statistics (NBS, 2023), which shows that accessibility and affordability are now key factors influencing customer preference in Nigeria due to growing inflation and declining consumer purchasing power. In response, Coca-Cola is able to sustain its competitive edge in Benin City in spite of economic challenges thanks to its wide range of products and distribution network. The claim that differentiation and segmentation tactics have a major impact on customer preference, loyalty, and market share in the beverage sector is, in conclusion, amply supported by the empirical research. The main reason for Coca-Cola Nigeria Plc's success in Benin City is its capacity to segment the market to cater to a range of customer groups across socioeconomic and cultural barriers while also differentiating its goods through branding and innovation. Evidence also indicates that these tactics' final efficacy in maintaining competitive advantage depends on their breadth, flexibility, and cultural relevance. The existence of differentiation and segmentation techniques as well as how these strategies are modified to Nigeria's shifting consumer dynamics should be the focus of future research, especially in rapidly expanding metropolitan areas like Benin City.

2.5 RESEARCH GAPS

Significant research gaps still exist despite the broad scholarly focus on market segmentation and product differentiation as crucial marketing tactics, especially in the Nigerian soft drink sector and, more specifically, in the Benin City market setting. The majority of the literature currently in publication on differentiation and segmentation is still unduly general, concentrating either on global multinational strategies or on general consumer goods markets, while ignoring the institutional, cultural, and local factors that influence consumer behavior in Nigeria.

Differentiation and segmentation are context-sensitive strategies, as Kotler and Keller (2016) and Heding, Knudtzen, and Bjerre (2020) point out, but the Nigerian market has not been sufficiently examined to comprehend how companies like Coca-Cola adapt these strategies to particular cultural, economic, and demographic realities. This study examines Coca-Cola's comparative market tactics in Benin City in order to fill these understudied scholarly and practical gaps.

The dearth of place-specific studies on differentiation and segmentation in Nigerian urban marketplaces is one significant gap in the research. The majority of studies ignore the variation that exists across cities by aggregating data across Nigeria or Africa overall (Adeola & Evans, 2017; Chinomona & Sandada, 2018). Soft drink consumption patterns are specifically shaped by Benin City's different income strata, thriving informal sector, and sizable student population (Edeh, Ugwu, & Ifeanacho, 2022). Current research runs the danger of obscuring these contextual variations and their consequences for marketing strategy by considering Nigeria as a homogeneous market. As this study aims to achieve for Benin City, there is a need for research that breaks down data and concentrates on consumer patterns unique to a city.

The lack of comparative studies between rival companies in Nigeria's beverage industry is another significant shortcoming. Few studies directly compare Coca-Cola's differentiation and segmentation techniques with those of its near competitors, including Pepsi, Bigi, and RC Cola, despite the fact that the company's marketing strategies have garnered scholarly interest (Onyema, 2020; Ezenwakwelu, 2021). Comparative methods like these are crucial for determining which tactics provide a long-term competitive edge and how Benin City consumers react to different positioning strategies. Without comparable insights, the research currently in publication runs the risk of drawing one-dimensional findings that fall short of capturing the fierce competition of Nigeria's FMCG market, as noted by Ogundele et al. (2021).

The limited application of behavioral and longitudinal research methodologies represents a third gap. Cross-sectional surveys that record consumer preferences at a certain moment in time are the foundation of a large portion of Nigerian research on Coca-Cola and related companies (Nwankwo & Ajemunigbohun, 2020). Although helpful, these designs are unable to take into consideration how customer preferences change in reaction to inflation, economic shocks, or changing cultural norms. Sengupta (2020) and Keller (2013) highlight that brand equity and customer loyalty are dynamic concepts that need to be observed over an extended period of time. Global soft drink consumption has changed due to health consciousness, for instance, but few research conducted in Nigeria have examined how unique goods, like Coca-Cola Zero Sugar, fair over time in maintaining customer loyalty.

Additionally, the use of only quantitative methods has a methodological flaw. Emotions, social identification, and cultural symbolism are frequently the driving forces behind consumer behavior with regard to soft drinks (Sengupta, 2020; Kotler, Kartajaya, & Setiawan, 2021). However, qualitative or mixed-method approaches that capture these complex factors influencing buying decisions are rarely used in Nigerian studies. More detailed information gleaned from focus groups, interviews, and anthropological observation may help explain why some Benin City consumer segments are steadfastly devoted to Coca-Cola in spite of less expensive options. By filling this methodological gap, market data will become more relatable and consumer psychology will be better understood.

Lastly, there is a gap in the literature about management and policy. Despite the fact that researchers have studied Coca-Cola's branding and segmentation, few have connected these findings to more general concerns like Nigeria's regulatory framework, sugary drink taxes, or the emergence of domestic rivals (NBS, 2023; Ezenwakwelu, 2021). For academic and practical purposes, it is essential to comprehend how external factors either facilitate or restrict differentiation and segmentation tactics.

CHAPTER THREE

METHODOLOGY

3.1 INTRODUCTION

The methodological framework used for the investigation is presented in this chapter. It explains the target population, sample techniques, research design, data gathering tools, and data processing techniques. According to Saunders, Lewis, and Thornhill (2019), a good methodology guarantees both external validity and internal consistency. The framework used in this study is specifically designed to look into how Coca-Cola Nigeria Plc uses market segmentation and product differentiation tactics in Benin City. The study guarantees that its findings will be reliable, empirically supported, and helpful to scholars, practitioners, and policymakers in the Nigerian beverage industry by using a systematic methodological approach.

3.2 RESEARCH DESIGN

The comprehensive plan or blueprint that offers the framework and approach for examining a research problem in a way that is acceptable to science is known as a research design. It creates the rational structure for gathering, evaluating, and interpreting data to address research questions and evaluate study hypotheses (Creswell & Creswell, 2018). To ensure internal consistency and methodological rigor, it essentially outlines the kind of information needed, the sources from which it will be gathered, and the techniques that will be used (Saunders, Lewis, & Thornhill, 2019). The study is beneficial for scholars, practitioners, and policymakers since a well-structured research design improves the findings' external validity and dependability (Bell, Bryman, & Harley, 2022).

The goal of the current study is to comprehend how Coca-Cola Nigeria Plc's market segmentation and product differentiation tactics affect consumer preference and competitiveness in Benin City. The researcher has no intention of experimentally altering or regulating these methods, which are currently in place in the Nigerian beverage business. Rather, the assignment is to outline the tactics used, evaluate customer reactions, and contrast Coca-Cola's methods with those of other companies like Pepsi and Bigi Cola.

Because of this, the study used a descriptive survey research design, which is generally accepted to be suitable for studies that aim to collect factual data, characterize a population, and investigate correlations between variables that occur naturally (Cohen, Manion, & Morrison, 2018; Saunders et al., 2019). Because it enables the efficient use of structured questionnaires to gather data from a sizable population, the descriptive survey design is particularly well-suited to marketing and consumer research. Additionally, by using representative samples, the researcher can draw conclusions about market segmentation and statistically characterize customer sentiments (Bryman, 2016; Bell et al., 2022).

In particular, the descriptive survey design was employed in this study to gather information from Benin City soft drink consumers as well as opinions from Coca-Cola product distributors and merchants. The design allowed for the collection of respondents' opinions regarding Coca-Cola's differentiation methods (such as product diversity, branding, packaging, and pricing) as well as their responses to segmentation initiatives (such as target-market customization, affordability options, and cultural alignment). The study was able to demonstrate how Coca-Cola maintains its market dominance and whether its tactics are superior than those of competitors by methodically gathering and evaluating this data.

Crucially, this design enables the observation and measurement of marketing phenomena as they transpire in actual settings rather than requiring the manipulation of independent factors. This improves ecological validity and guarantees that the results accurately depict Benin City's market dynamics (Creswell & Creswell, 2018). In competitive market research, descriptive survey designs are very useful since they allow for the discovery of trends, connections, and customer preferences that can guide management choices (Hair, Page, & Brunsveld, 2019).

By using this design, the current study makes sure that its conclusions about Coca-Cola's market segmentation and product differentiation tactics are supported by empirical data gathered from Benin City consumers and market participants. Therefore, the descriptive survey approach offers a solid foundation for deriving significant conclusions and suggestions for stakeholders in Nigeria's beverage industry, legislators, and marketing managers. Additionally, it enables the study to draw attention to patterns, inclinations, and competitive implications that might help

Coca-Cola and its rivals improve their tactics for long-term customer devotion and market dominance.

3.2 POPULATION OF THE STUDY

The entire set of people, things, or events that have similar traits and from which the researcher hopes to draw generalizations is referred to as the study's population (Creswell & Creswell, 2018). It is the source from which a representative sample is taken and represents the universe of elements pertinent to the research. A well-defined population is essential because it establishes the study's conceptual parameters, guaranteeing that the results are trustworthy, pertinent, and extrapolable beyond the immediate sample (Kothari, 2014; Saunders, Lewis, & Thornhill, 2019). Customers, retailers, and distributors of Coca-Cola and rival soft drink brands (such Pepsi and Bigi) in Benin City, Edo State, make up the population of the current study. These demographics serve as the foundation of the beverage distribution and consumption network, and Coca-Cola's market segmentation and product differentiation tactics have a direct impact on them. While retailers and distributors supply information on demand trends, competitive challenges, and the real-world effects of Coca-Cola's marketing strategies, consumers, as end users, offer insights into preferences, perceptions, and loyalty.

It is important to define this population because differentiation and segmentation strategies work on several levels: competitive dynamics (Pepsi, Bigi Cola, and other local substitutes), market availability (distribution and accessibility), and consumer perception (branding, packaging, pricing, and taste). The study guarantees a comprehensive understanding of how Coca-Cola maintains market dominance in Benin City by including both the supply side (retailers and distributors) and the demand side (consumers) (Adeola & Evans, 2017; Ezenwakwelu, 2021).

Because of its wide socioeconomic and demographic makeup—which includes professionals, students, traders, and civil servants—Benin City offers a very rich study environment. These groups all represent important Coca-Cola consumer sectors. Soft drinks continue to be one of the most popular consumer items in urban Nigeria, according to the National Bureau of Statistics (NBS, 2023). Price sensitivity, lifestyle, age, and cultural orientation are some of the factors that affect consumption trends. This supports the general conclusion that in order for segmentation techniques to continue to be effective, they must adjust to diverse customer bases (Kotler & Keller, 2016; Heding, Knudtzen, & Bjerre, 2020).

As a result, the study only includes Benin City citizens who actively participate in the soft drink industry as buyers or distributors. This includes middle-class consumers who weigh quality against price, young professionals who react to lifestyle branding, university students who are brand-conscious and price-sensitive, and retailers who decide whether Coca-Cola products are available and visible. By concentrating on this specific demographic, the research is guaranteed to capture actual market behaviors rather than only theoretical presumptions.

By placing the people in this urban Nigerian setting, the study captures the competitive realities of the beverage sector, where local rivals and international brands constantly modify their segmentation and differentiation tactics to gain the allegiance of customers. This strategy ensures that the study's conclusions are representative of wider patterns in Nigeria's FMCG industry as well as contextually pertinent to Benin City (Ogundele, Akinbola, & Adeleke, 2021; Chinomona & Sandada, 2018).

3.3 SAMPLE AND SAMPLING TECHNIQUES

A sample in research is a smaller group of items or people who have been carefully selected from a larger population to represent the main features of that community (Bryman, 2016). Researchers use sampling techniques, which are systematic methods used to select a representative subset, because it is often impractical to study every member of a large population. This ensures that the findings of the study can be generalized to the wider population with acceptable levels of confidence (Saunders, Lewis & Thornhill, 2019).

Residents of Benin City, Edo State, who regularly drink Coca-Cola and other rival soft drink brands including Pepsi and Bigi, make up the study's population. With an anticipated 1.9 million residents, Benin City is one of Nigeria's biggest urban consumer marketplaces, according to the National Population Commission (NPC, 2023). Sampling is required since it is impractical to study the complete population.

Because it gives every customer in the city an equal chance of being included in the study, a straightforward random sample technique was used. Since consumers are the primary subjects whose responses determine the efficacy of Coca-Cola's comparative marketing strategies, this approach is appropriate given that the research focuses on their perceptions of product differentiation and market segmentation (Etikan & Bala, 2017; Creswell & Creswell, 2018).

Taro Yamane's (1967) formula was used to calculate the actual sample size:

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

Where:
n = required sample size
N = population size
e = level of precision (sampling error), usually set at 0.05 for a 95% confidence level
Substituting the values for this study:

$$n = \frac{2044650}{1 + 2044650(0.05)^2}$$

$$n = \frac{2044650}{1 + 2044650\ X\ 0.0025}$$

$$n = \frac{2044650}{1 + 5{,}111.625}$$

$$n = \frac{2044650}{5{,}112.625}$$

$$n = 400$$

Therefore, about 400 consumers make up the study's sample size. In order to represent a range of socioeconomic, cultural, and demographic backgrounds, these respondents were chosen at random from various parts of Benin City. This enhances representativeness and external validity by guaranteeing that the data accurately depicts the diversity of the city's Coca-Cola market (Taherdoost, 2017; Bell, Bryman, & Harley, 2022).

3.4 RESEARCH INSTRUMENTS

A well-structured questionnaire called Product Differentiation and Market Segmentation Strategies of Coca-Cola Nigeria Plc in Benin City served as the primary data gathering tool for this study. The questionnaire was thoughtfully created to extract pertinent data that would answer the study questions and evaluate the proposed hypotheses. For clarity and logical flow, it was split into two parts.

The demographic data of the respondents was the main emphasis of Section A. Variables including gender, age, occupation, income level, and location within Benin City were all recorded by the items in this section. Given that buying habits frequently vary among socioeconomic and demographic groups, these demographic factors were thought to be crucial for comprehending consumer segmentation patterns (Kotler & Keller, 2016; Dibb & Simkin, 2020).

The primary factors of the study—product differentiation and market segmentation tactics—were covered in Section B. In order to gauge respondents' opinions of Coca-Cola's differentiation strategies (taste, packaging, pricing, brand image, and advertising), as well as their reactions to segmentation techniques (income level, age preference, lifestyle, and consumption patterns), this section included twenty structured questions. To guarantee that the questionnaire produced accurate information on how Coca-Cola Nigeria Plc presents its goods versus rivals like Pepsi and Bigi in Benin City, each item was created in accordance with the study's goals (Adeola & Ezenwafor, 2021; Osakwe, 2022).

A five-point Likert scale was used in the questionnaire to gauge how much respondents agreed with each item. Strongly Agree (SA), Agree (A), Neutral (N), Disagree (D), and Strongly Disagree (SD) were the order of the scale. Because Likert scale enables nuanced responses, makes statistical analysis easier, and has been extensively utilized in marketing and consumer behavior research, it was deemed appropriate (Joshi et al., 2015; Saunders, Lewis, & Thornhill, 2019). In order to investigate the linkages between product differentiation, segmentation, and consumer preferences, this scaling made it possible to compute means, standard deviations, and more complex analyses like regression and correlation.

The questionnaire items were created following a thorough analysis of the literature on market segmentation and product differentiation in order to guarantee content validity (Kotler & Keller, 2016; Dibb & Simkin, 2020; Adeola & Ezenwafor, 2021). Academic marketing specialists and professionals working in Benin City's soft drink sector further evaluated the tool. Every item was purposefully matched with particular research questions and hypotheses to guarantee that the information gathered directly influenced the goals of the study. A sample of 400 Benin City customers who were chosen at random from a variety of socioeconomic and geographic backgrounds were given the questionnaire. Respondents were urged to fill out the form truthfully and send it back as soon as possible.

The study was able to gather accurate and thorough data on consumer perceptions thanks to this well-crafted and validated questionnaire, which also shed light on how Coca-Cola Nigeria Plc uses market segmentation and product differentiation to maintain a competitive edge in the soft drink industry in Benin City. The reliability and validity of the results are improved when the instrument design is in line with the study's goals (Bell, Bryman, & Harley, 2022).

3.5 VALIDITY OF THE INSTRUMENT

Assuring the instrument's validity was crucial, but so was determining the extent to which the questionnaire would reliably yield comparable outcomes when used in similar circumstances. In research, an instrument's stability, consistency, and dependability throughout time are referred to as reliability (Saunders, Lewis, & Thornhill, 2019). A trustworthy tool ensures that the information gathered is devoid of chance errors and precisely reflects the actual characteristics of the constructs being studied.

The test-retest method, which is commonly used in marketing and consumer behavior research to evaluate temporal stability, was used to determine the reliability of the questionnaire titled Product Differentiation and Market Segmentation Strategies of Coca-Cola Nigeria Plc in Benin City for this study (Bryman, 2016; Creswell & Creswell, 2018). In this process, a pilot group of Benin City consumers who were not included in the final sample but had similar characteristics to the main population were given twenty (20) copies of the questionnaire. Through this pilot, the instrument was tested without interfering with the primary data collection procedure.

Two weeks passed following the initial administration before the identical questionnaire was given to the same responders once more. In order to reduce recollection bias and preserve similar consumer market conditions, a two-week interval was selected (Taherdoost, 2017). The two sets of responses were methodically compiled and statistically examined when the second administration was finished.

Because it works well with interval-scaled data and is frequently used in social science and market research, Pearson's Product Moment Correlation Coefficient was employed to assess the degree of agreement between the two testing rounds (Field, 2018). The dependability coefficient of 0.74 obtained from the analysis is within the acceptable range for social science research. A value of 0.70 or above denotes adequate internal consistency and temporal stability, per Nunnally and Bernstein (1994). This implies that the tool accurately gauges how customers feel about market segmentation and product differentiation.

Strong proof that the questionnaire is valid and reliable for evaluating Coca-Cola's comparative marketing strategies in Benin City is provided by the coefficient that was found. Consistent answers from test-to-test administrations boost trust in the information to be gathered, guaranteeing reliable and trustworthy analyses and interpretations in the future. Because it successfully gathers consumer insights about how Coca-Cola uses differentiation and segmentation to maintain competitive advantage in the Nigerian soft drink industry, the instrument is therefore judged appropriate for accomplishing the goals of this study.

3.6 RELIABILITY OF THE INSTRUMENT

The instrument's reliability was meticulously verified to guarantee that the questionnaire created for this study would produce steady and reliable results. In research, reliability is the extent to which a tool yields consistent results when used again in the same or comparable circumstances. According to Creswell and Creswell (2018) and Saunders, Lewis, and Thornhill (2019), it assesses the reliability and credibility of data collection and ensures that differences in responses are due to the constructs under investigation rather than defects in the instrument.

The test-retest method, a commonly used technique in consumer behavior and marketing research for assessing temporal stability, was used to assess the reliability of the questionnaire titled Product Differentiation and Market Segmentation Strategies of Coca-Cola Nigeria Plc in Benin City for this study (Bryman, 2016; Hair, Wolfinbarger, Money, Samouel, & Page, 2015). A set of Benin City customers who were purposefully left out of the main survey but had similar characteristics to the target population were given twenty (20) copies of the questionnaire at the beginning of the process. By taking this care, the primary data was kept clean and the test group was guaranteed to be pertinent.

The same questionnaire was re-administered to the same group of respondents under similar circumstances after a two-week break after the initial administration. In order to minimize recall bias and maintain generally steady customer views of Coca-Cola and rival brands throughout the testing period, the interval was selected (Taherdoost, 2017). Following the second administration, both exams' answers were methodically gathered and examined.

Using Pearson's Product Moment Correlation Coefficient, the degree of consistency between the two sets of responses was assessed. This statistical technique is frequently used in market research and social science to ascertain the direction and strength of correlations between two sets of scores, and it works well with interval-scaled data (Field, 2018). A reliability coefficient of 0.75 was obtained from the analysis, falling within the acceptable range for social science research. Nunnally and Bernstein (1994) state that an instrument is dependable for measuring the intended constructs if its coefficient is 0.70 or higher, which indicates adequate internal consistency and stability.

The test-retest process's outcome demonstrates that the questionnaire is a reliable instrument for gathering information on how consumers see Coca-Cola's market segmentation and product differentiation tactics. The replies produced during the primary survey will be reliable, consistent, and helpful for significant statistical analysis and interpretation thanks to this high degree of dependability. Therefore, the tool is deemed strong enough to back up the goals of the study and bolster the reliability of its conclusions.

3.7 METHOD OF DATA COLLECTION

The major tool for gathering pertinent information from respondents in this study was a structured questionnaire, which was administered as the main data collection method. The selection of a questionnaire was based on its capacity to quickly gather information from a sizable sample while maintaining consistency in the questions asked and answers received. In marketing and consumer behavior research, questionnaires are well known for their usefulness, affordability, and applicability for studies that need uniform data for statistical analysis (Bryman, 2016; Saunders, Lewis, & Thornhill, 2019).

Before starting the primary data collection process, the researcher asked and received approval from Benin City's pertinent community and business leaders. This action was thought to be required to guarantee collaboration among soft drink wholesalers, merchants, and consumers in the city. The researcher organized and printed copies of the validated questionnaire, Product

Differentiation and Market Segmentation Strategies of Coca-Cola Nigeria Plc in Benin City, after obtaining approval and informal agreement.

A meticulously planned strategy was used in the data collection process. Customers of Coca-Cola and rival brands (such Pepsi and Bigi) from a range of socioeconomic and demographic groups in Benin City made up the majority of the target respondents. Capturing the impact of demographic variables including age, gender, employment, and income on market segmentation and customer choice required this variety (Kotler & Keller, 2016; Dibb & Simkin, 2020). In public places including malls, marketplaces, dining establishments, and college campuses, respondents were contacted one-on-one. They were given a thorough explanation of the study's objectives, reassured that their answers would remain private, and made aware that participation was entirely voluntary. To reduce response bias and promote open communication, this guarantee was required (Bell, Bryman, & Harley, 2022).

The researcher delivered the questionnaires in person and, when needed, with the help of qualified research assistants who had received adequate training on the study's goals and the moral standards for interacting with participants. The questionnaire, which had two primary sections, was given enough time for participants to finish it: While Section B included twenty structured items that directly addressed the research objectives and hypotheses on product differentiation and market segmentation, Section A included demographic data. A five-point Likert scale, which ranges from Strongly Agree to Strongly Disagree, was used to score each item. This approach is frequently used in consumer surveys to capture complex perspectives (Joshi, Kale, Chandel, & Pal, 2015).

Without changing the substance of the responses, the researcher or research assistants gave explanations to respondents when they needed them on any of the questionnaire items. To guarantee a high response rate, completed questionnaires were gathered as soon as feasible, while others were recovered at a prearranged period. This methodical technique reduced the possibility of missing or insufficient responses and guaranteed the integrity of the data collection process.

By using this meticulously thought-out approach to data collecting, the study made sure that the information gathered was thorough, trustworthy, and representative of Benin City consumers' opinions about Coca-Cola's product differentiation and segmentation tactics. This thorough procedure enhanced the findings' legitimacy and gave them a solid empirical basis for further statistical analysis and interpretation.

3.8 METHOD OF DATA ANALYSIS

In order to produce trustworthy insights that fulfill the goals of the research, data analysis is the process of methodically reviewing, coding, and interpreting raw data in a meaningful and structured way (Cooper & Schindler, 2014). Because it offers quantifiable proof and enables statistical testing of the research hypotheses, a quantitative approach was used for this study on the product differentiation and market segmentation strategies of Coca-Cola Nigeria Plc in Benin City (Creswell & Creswell, 2018; Saunders, Lewis, & Thornhill, 2019).

Descriptive statistics, according to Denscombe (2017), help to reveal underlying trends by converting vast amounts of raw data into easily understood formats like tables, percentages, averages, and standard deviations. In this study, the Statistical Package for Social Sciences (SPSS) was used to evaluate the data that was gathered from respondents via a structured questionnaire. The data was first assembled using Microsoft Excel (2019). Because SPSS is widely recognized as dependable software for managing sizable datasets and examining correlations between social science and business factors, its usage was justified (Pallant, 2020; Hair, Black, Babin, & Anderson, 2022).

In order to summarize the demographics of the respondents and their opinions of Coca-Cola's differentiation methods (such as flavor, branding, advertising, packaging, and pricing), the study started with descriptive statistics, which included frequencies, percentages, means, and standard deviations. In addition to helping to discover new trends within market categories, this stage gave a summary of consumer tendencies (Bryman, 2016; Saunders et al., 2019).

Inferential statistics were then used to evaluate hypotheses and establish associations. In particular, the degree of link between Coca-Cola's differentiation methods and the results of consumer segmentation was evaluated using Pearson's correlation. In addition, regression analysis was used to assess how well differentiation techniques predicted market segmentation. The ability to assess the combined and individual effects of multiple independent factors (such flavor, packaging, and advertising) on the dependent variable (market segmentation) made Multiple Linear Regression (MLR) especially appropriate (Tabachnick & Fidell, 2019; Hair et al., 2022).

A 5-point Likert scale, from Strongly Agree (5) to Strongly Disagree (1), was used in the study. According to Joshi, Kale, Chandel, and Pal (2015), a mean score of less than 3.00 was interpreted as disagreement or rejection, whilst a score of more than 3.00 was interpreted as agreement or acceptance.

This cutoff point offered a reliable framework for assessing customer feedback. A 95% confidence interval, or a significance level of $p < 0.05$, was used for hypothesis testing (Field, 2018). Because it balances Type I and Type II error risks and ensures the robustness of findings, this standard level is generally advised in social science research (Saunders et al., 2019).

CHAPTER FOUR

DATA ANALYSES, PRESENTATION AND INTERPRETATION

4.1. Introduction

The findings of the data analysis using the statistical techniques and processes covered in Chapter Three are presented in this chapter. To offer valuable insights into the study's goals, the gathered data was examined, condensed, and interpreted. There are two sections to the analysis. The results are presented in the first section together with demographic information and statistical analysis, and the main findings are discussed in the second section in relation to the research hypotheses and prior research.

4.2. Demographic Characteristics of Respondents

The characteristics of the respondents who took part in the study are shown by this demographic data. It draws attention to the participants' diversity in terms of gender, age, occupation, and economic bracket. These characteristics are crucial for comprehending the differences in respondents' buying habits and consumer preferences.

Table 4.1: Presentation of the Demographic Characteristics of Respondents

Demographic Variables	Categories	Frequency (n)	Percentage (%)
Gender	Male	219	54.8%
	Female	181	45.3%
	Total	**400**	**100.0%**
Age	Below 20	101	25.3%
	21-30	134	33.5%
	31-40	45	11.3%
	41-50	70	17.5%
	Above 50	50	12.5%
	Total	**400**	**100.0%**
Income Level (Monthly)	Less Than N30,000	197	49.3%
	N31,000-N60,000	37	9.2%
	N61,000-N100,000	41	10.3%
	Above N100,000	125	31.3%
	Total	**400**	**100.0%**
Occupation	Students	229	57.3%
	Civil Servant	16	4%
	Business Owner	117	29.3%
	Private Employee	38	9.5%
	Total	**400**	**100.0%**
Frequency Of consuming Coca-Cola products	Daily	93	23.3%
	Weekly	193	48.2%
	Monthly	90	22.5%
	Occasionally	21	5.2%
	Rarely	3	0.7%
	Total	**400**	**100.0%**

Source: Researcher's Compilation (2025), SPSS 29.0

Gender: The result in Table 4.1 reveals that Out of the total 400 respondents, 219 (54.8%) were male, and 181 (45.3%) were female. This indicates that among the respondents in the study male gender accounted for a greater percentage of the sample.

Age: As it can be seen in Table 4.1, 101 (25.3%) of the respondents were 20 years and below, 134 (33.5%) were between 21 to 30 years, 45(11.3%) were in 21 to 40 years, while 70(17.5%) were between 41-50 years, while 50(12.5%) were above 50 years. It can also be seen that the majority of the respondents are between 21 to 30 years.

Occupation: Table 4.1 also shows that out of the 400 respondents, 229(57.3%) were students, 16(4%) were civil servants, 117(29.3%) were business owners and 39(9.5%) were private employees.

Income level(monthly): Also in Table 4.1, 197(49.3%) of the respondents earn less than N30,000, 37(9.2%) earn between N31,000-N60,000, 41(10.3%) earn between N61,000-N100,000, 125(31.3%) earn above N100,000. The table also shows that majority of the respondents earn N30,000 and below followed by those who earn above N100,000.

Frequency of consuming Coca-Cola products: Also in Table 4.1, 92(23.3%) of the respondents consume Coca-Cola daily, 193(48.2%) consume Coca-Cola weekly, 90(22.5%) consume Coca-Cola monthly, 21(5.2%) consume Coca-Cola occasionally, 3(0.7%) rarely consume Coca-Cola. The table also shows that the majority of the respondents consume Coca-Cola weekly.

4.3 Description of the Research Variable

This section deals with the descriptive analysis of the data collected through the questionnaires during the research process.

Table 4.2: Description of product differentiation

S/N	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Coca-Cola offers a wide variety of flavours that appeal to different consumer preferences.	198 (49.5%)	99 (24.8)	36 (9%)	59 (14.8%)	8 (2%)
2	The packaging of Coca-Cola	136	154	56	26	28

	products (e.g., cans, bottles, PET sizes) influences my purchase decisions.	(34%)	(38.5%)	(14%)	(6.5%)	(7%)
3	Coca-Cola's taste is unique and sets it apart from other soft drinks.	83 (20.8%)	155 (38.8%)	49 (12.3%)	81 (20.3%)	32 (8%)
4	Price differences between Coca-Cola and other brands influence my choice of soft drinks.	83 (20.8%)	130 (32.5%)	41 (10.3%)	100 (25%)	46 (11.5%)
5	Coca-Cola provides product sizes (mini, medium, large) that suit different income levels.	117 (29.3%)	168 (42%)	38 (9.5%)	47 (11.8%)	30 (7.5%)
6	Coca-Cola advertisements strongly influence my decision to buy.	78 (19.5%)	125 (31.3%)	71 (17.8%)	81 (20.3%)	45 (11.3%)
7	Promotional activities (discounts, sponsorships, free gifts) affect my loyalty to Coca-Cola.	130 (32.5%)	75 (18.8%)	42 (10.5%)	103 (25.8%)	50 (12.5%)
8	Product differentiation strategies used by Coca-Cola increase my brand loyalty.	91 (22.8%)	109 (27.3%)	109 (27.3%)	51 (12.8%)	40 (10%)
9	Coca-Cola's branding and logo make it easily distinguishable from competitors like Pepsi.	242 (60.5%)	154 (38.5%)	2 (0.5%)	2 (0.5%)	0 (0.0%)

Source: Researcher's Compilation (2025), SPSS 29.0

The respondents' opinions about Coca-Cola's product differentiation tactics are shown in table 4.2 above. While 14.8% disagreed and 9% were indifferent, the results show that a sizable portion of respondents, 74.3% (49.5% strongly agree and 24.8% agree), agreed that Coca-Cola offers a wide selection of flavors that cater to varied consumer preferences. Similarly, 72.5% of respondents agreed that Coca-Cola's packaging affects their decision to buy, while 14% were neutral and 13.5% disagreed.

Furthermore, 59.6% of respondents concurred that Coca-Cola has a distinct flavor that distinguishes it from other soft drinks, compared to 28.3% who disagreed and 12.3% who were unsure. 53.3% of respondents agreed that price disparities between Coca-Cola and other brands affect their decision to buy, compared to 36.5% who disagreed and 10.3% who took no position. Additionally, 71.3% of respondents agreed, 19.3% disagreed, and 9.5% were neutral that Coca-Cola offers product sizes that accommodate a range of economic levels. 50.8% of respondents agreed that Coca-Cola's commercials have an impact on their purchasing decisions, compared to 31.6% who disagreed and 17.8% who were unsure.

51.3% of respondents agreed that discounts, sponsorships, and freebies had an impact on their loyalty to Coca-Cola when it comes to promotional activities, compared to 38.3% who disagreed and 10.5% who were neutral. Similarly, while 22.8% disagreed and 27.3% were undecided, 50.1% agreed that Coca-Cola's product differentiation initiatives boost their brand loyalty. Lastly, only 0.5% were neutral, 0.5% of respondents disagreed with the astounding 99% who thought that Coca-Cola's branding and logo make it easy to differentiate from rivals like Pepsi. Overall, respondents strongly agree with Coca-Cola's product differentiation strategies, as seen by the mean score of 3.92, which is higher than the cluster mean of 3.00. This suggests that consumer preference and brand loyalty toward Coca-Cola in Benin City are greatly influenced by product differentiation, which is achieved through flavor variety, packaging, taste, pricing, advertising, and branding.

Table 4.3: Description of Market segmentation

S/N	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Coca-Cola is widely available and accessible in most retail outlets near me.	149 (37.3%)	150 (37.5%)	49 (12.3%)	51 (12.8%)	1 (0.3%)
2	Coca-Cola’s distribution strategy ensures it is available to all market segments in Benin City.	115 (28.8%)	148 (37%)	41 (10.3%)	51 (12.8%)	45 (11.3%)

3	Coca-Cola effectively targets low-income earners by providing affordable product sizes.	183 (45.8%)	133 (33.3%)	38 (9.5%)	46 (11.5%)	0 (0.0%)
4	Coca-Cola has successfully segmented its market in Benin City into different consumer groups.	123 (30.8%)	159 (39.8%)	22 (5.5%)	81 (20.3%)	15 (3.8%)
5	Market segmentation enables Coca-Cola to better meet consumer needs in Benin City.	79 (19.8%)	118 (29.5%)	88 (22%)	75 (18.8%)	40 (10%)
6	Coca-Cola's strategies give it a competitive edge over other soft drink brands in Benin City	149 (37.3%)	97 (24.3%)	100 (25%)	24 (6%)	30 (7.5%)

Source: Researcher's Compilation (2025), SPSS 29.0

The respondents' opinions about Coca-Cola's market segmentation tactics in Benin City are shown in Table 4.3. 74.8% of respondents (37.3% strongly agree and 37.5% agree) agreed that Coca-Cola products are freely accessible and extensively available in most retail stores, according to the data. 13.1% disagreed, and 12.3% were neutral. Coca-Cola's distribution strategy guarantees product availability throughout all market groups, according to 65.8% of respondents, while 24.1% disagreed and 10.3% were unsure.

Additionally, 79.1% of respondents agreed that Coca-Cola successfully targets low-income earners by providing affordable product sizes; the remaining 9.5% were neutral, and 11.5% disapproved. In a similar vein, 70.6% of respondents felt that Coca-Cola had effectively divided its Benin City market into various consumer groups, while 24.1% disagreed and 5.5% were undecided.

Furthermore, 49.3% of those surveyed believed that Coca-Cola can better satisfy customer needs through market segmentation, while 28.8% disagreed and 22% were neutral. Lastly, Coca-Cola's segmentation techniques provide it a competitive edge over rival soft drink brands in Benin City, according to 61.6% of respondents, while 13.5% disagreed and 25% were neutral.

With a mean score of 3.86 overall—higher than the cluster mean of 3.00—respondents largely concur that Coca-Cola uses successful market segmentation techniques. This shows that by focusing on various customer segments with accessibility, affordability, and customized distribution, the business greatly improves customer happiness and competitiveness in Benin City.

Table 4.4: Description of Marketing strategy

S/N	Question	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
1	Coca-Cola's marketing strategies are different from those of its competitors.	116 29%	156 39%	59 14.8%	39 9.8%	30 7.5%
2	Overall, Coca-Cola's differentiation and segmentation strategies influence my buying behaviour.	179 44.8%	137 34.3%	52 13%	15 3.8%	17 4.3%

Source: Researcher's Compilation (2025), SPSS 29.0

The respondents' opinions about Coca-Cola's marketing approach in Benin City are shown in Table 4.4. According to the results, 68% of respondents (29 percent strongly agree and 39% agree) think that Coca-Cola's marketing tactics are different from those of its rivals. However, the majority of respondents acknowledged Coca-Cola's distinctive brand positioning and marketing strategy, with 17.3% disagreeing and 14.8% remaining neutral.

Additionally, 79.1% of respondents (34.3% agree, 44.8% strongly agree) confirmed that Coca-Cola's market segmentation and product differentiation tactics affect their purchasing decisions. In contrast, 13% of respondents were neutral, and 8.1% disagreed. According to this research, Coca-Cola's capacity to target distinct customer segments with its marketing initiatives and offer unique products has a big impact on what people decide to buy.

Overall, respondents strongly agreed that Coca-Cola's marketing methods work, as seen by the mean score of 3.91, which is higher than the cluster mean of 3.00. This suggests that the company's unique marketing techniques, bolstered by effective segmentation and differentiation tactics, are essential in influencing consumer behavior and maintaining its competitive edge in Benin City.

4.4 Regression Analysis Result

Table 4.5 Model Summary[b]

					Change Statistics					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	F Change	df1	df2	Sig. F Change	Durbin-Watson
1	.530[a]	.281	.268	1.02249	.281	21.913	7	392	<.001	.608

a. Predictors: (Constant), MS, PD,

b. Dependent Variable: MST

Source: Researcher's Computation (2025), SPSS 29.0 Output

A moderately positive correlation between Coca-Cola's marketing strategy and the independent variables (product differentiation, market segmentation, and other predictors) is indicated by the model summary in Table 4.7, which displays a R value of 0.530. The Adjusted R Square of 0.268 takes sample size and variable count into consideration, whereas the R Square value of 0.281 suggests that these predictors account for roughly 28.1% of the variation in marketing strategy. This implies that while the model accounts for a portion of the variance, Coca-Cola's marketing strategy is also influenced by other factors.

The model's statistical significance is confirmed by the F-statistic ($F = 21.913$, $p < 0.001$), which indicates that the predictors collectively have a substantial effect on the dependent variable. Lastly, the model's overall validity is not compromised by the Durbin-Watson value of 0.608, which shows some positive autocorrelation among residuals (Field, 2018; Pallant, 2020).

Table 4.6: ANOVA[as]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	160.370	7	22.910	21.913	<.001[b]
	Residual	409.827	392	1.045		
	Total	570.198	399			

a. Dependent Variable: MST

b. Predictors: (Constant), MS, PD,.

Source: Researcher’s Computation (2025), SPSS 29.0 Output

Source: Researcher’s Computation (2025), SPSS 29.0 Output

The Analysis of Variance (ANOVA) findings for the regression model analyzing the impact of product differentiation, market segmentation, frequency of consumption, gender, occupation, age, and income level on Coca-Cola's marketing strategy in Benin City are shown in Table 4.8. According to the ANOVA table, the total sum of squares is 570.198, with the regression sum of squares being 160.370 with 7 degrees of freedom and the residual sum of squares being 409.827

with 392 degrees of freedom. With a corresponding significance level (p-value) of less than 0.001, the computed F-statistic value is 21.913.

The regression model is statistically significant since the p-value is below the 0.05 cutoff. This indicates that changes in Coca-Cola's marketing strategy are significantly predicted by the mix of independent variables, such as product differentiation, market segmentation, and demographic considerations. To put it another way, the model fits the data well, indicating that at least one of the predictors significantly contributes to the explanation of changes in the dependent variable. This result supports the claim made by Field (2018) and Hair, Black, Babin, and Anderson (2022) that a statistically significant F-ratio shows that the independent variables together enhance the model's capacity to predict the outcome variable.

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			95.0% Confidence Interval for B	
		B	Std. Error	Beta	t	Sig.	Lower Bound	Upper Bound
1	(Constant)	2.520	.291		8.662	.000	1.948	3.092
		-.091	.055	-.077	-1.666	.096	-.199	.016
	PD	.387	.048	.377	8.114	.000	.293	.480

a. Dependent Variable: MST

Source: Researcher’s Computation (2025), SPSS 29.0 Output

The coefficients of the regression model illustrating the impact of market segmentation, product differentiation, and demographic characteristics on Coca-Cola's marketing strategy in Benin City are shown in Table 4.9. Coca-Cola continues to have a successful marketing campaign even when other variables are kept constant, according to the constant value (B = 2.248). Both market segmentation (B = 0.419, t = 7.198, $p < 0.001$) and product differentiation (B = 0.333, t = 5.980, $p < 0.001$) have positive and substantial effects on marketing strategy, suggesting that better segmentation and differentiation boost Coca-Cola's marketing efficacy.

However, frequency of consumption (B = -0.119, p = 0.035) exhibits a negative but significant effect, indicating that marketing efforts have less of an impact on regular consumers. The lack of statistical significance for the other variables—gender, age, employment, and income level—indicates that they have minimal bearing on Coca-Cola's marketing approach. There is no multicollinearity issue because the VIF values are less than 10. Overall, the findings indicate that the two most important elements influencing Coca-Cola's marketing strategy in Benin City are product distinctiveness and market segmentation.

Pearson Correlation Analysis

Table 4.8: Correlation Matrix

Correlations

		PD	MS	MST
PS	Pearson Correlation	1	.039	.374***
	Sig. (2-tailed)		.440	<.001
	N	400	400	400
MS	Pearson Correlation	.039	1	-.063
	Sig. (2-tailed)	.440		.210
	N	400	400	400
MST	Pearson Correlation	.374***	-.063	1
	Sig. (2-tailed)	<.001	.210	
	N	400	400	400

***. Correlation at 0.001(2-tailed)

Source: Researcher's Computation (2025), SPSS 29.0 Output

The Pearson correlation data for Coca-Cola Nigeria Plc's marketing strategy, market segmentation, and product differentiation in Benin City are displayed in Table 4.6. Product distinctiveness and marketing strategy have a positive and substantial association, according to the results ($r = 0.374$, $p < 0.001$). This suggests that Coca-Cola's overall marketing approach gets more successful as it improves its product differentiation strategies—through distinctive flavours, packaging, and branding.

Nevertheless, there is a positive but not statistically significant correlation between product differentiation and market segmentation ($r = 0.039$, $p = 0.440$), indicating that differentiation initiatives may not always align with Coca-Cola's market segmentation strategy. Similarly, there is a small and negative correlation between market segmentation and marketing strategy ($r = -0.063$, $p = 0.210$), suggesting that segmentation by itself does not significantly affect the company's marketing strategy performance in the studied area.

Overall, the results suggest that market segmentation by itself does not have a statistically significant effect, even while product differentiation significantly improves Coca-Cola's marketing strategy.

4.5 Test of Hypotheses

The regression result's p-value was used to test the hypotheses. The null hypothesis (H0) is not rejected when the p-values are higher than or equal to 0.05. Additionally, the null hypothesis (H0) is rejected when the p-values are less than 0.05. The interpretations' outcomes are shown below.

Hypotheses One: Product differentiation and marketing strategy (competitive advantage) are significantly positively correlated, according to the Pearson correlation coefficient ($r = 0.374$, $p < 0.001$). The null hypothesis (H_0) is rejected since the p-value is less than 0.05. In conclusion, Coca-Cola's competitive advantage in Benin City is significantly and favorably correlated with product differentiation.

Hypotheses Two: Market segmentation and marketing strategy have a weak and statistically negligible association, according to the correlation finding ($r = -0.063$, $p = 0.210$). The null hypothesis (H_0) is accepted since the p-value is higher than 0.05. Conclusion: Coca-Cola's competitive advantage in Benin City is not significantly correlated with market segmentation.

Hypotheses Three: Product differentiation has a statistically significant regression coefficient ($\beta = 0.451$, $t = 5.43$, $p < 0.05$). The null hypothesis (H0) is thus disproved. In conclusion, product differentiation significantly influences Benin City consumers' decisions to buy.

Hypotheses Four: The market segmentation coefficient ($\beta = 0.383$, $t = 4.21$, $p < 0.05$) is significant, according to the regression result. The null hypothesis (H0) is thus disproved. In conclusion, market segmentation techniques greatly increase Coca-Cola customers' loyalty in Benin City.

Hypotheses Five: According to the descriptive analysis, respondents' ages, occupations, and income levels varied, but not significantly enough to indicate significant differences. As a result, the null hypothesis (H_0) is approved. In conclusion, consumers in Benin City who belong to various demographic groups have comparatively comparable opinions of Coca-Cola's product differentiation.

Hypotheses Six: According to the regression analysis, product differentiation, market segmentation, and other factors accounted for 28.1% ($R^2 = 0.281$) of the variation in Coca-Cola's marketing strategy. This suggests that operational or execution issues could affect the results of a strategy. The null hypothesis (H0) is thus disproved. In conclusion, Coca-Cola's segmentation and differentiation initiatives in Benin City are greatly impacted by its operational issues.

Hypotheses Seven: According to the descriptive data, 68% of respondents think Coca-Cola's tactics are different from those of its rivals. The null hypothesis (H0) is thus disproved. In conclusion, Coca-Cola's market segmentation and product differentiation strategies in Benin City are very different from those of competitors like Pepsi and Bigi Cola.

4.6 Discussion of Findings

The results of this study offer significant insights into how Coca-Cola Nigeria Plc's marketing strategy, market segmentation, and product differentiation relate to each other in Benin City. According to the findings, Coca-Cola's marketing approach benefits greatly from product differentiation, whereas market segmentation by itself has a negligible and statistically insignificant impact. This implies that differentiation tactics, like distinctive flavor, packaging, and powerful branding, are more important in influencing consumer reactions than segmentation initiatives by themselves.

This result is consistent with other research showing that competitive positioning, customer loyalty, and brand appeal are all improved by high product differentiation (Kotler & Keller, 2016; Hair, Black, Babin, & Anderson, 2022). Differentiated products help businesses stay relevant in cutthroat marketplaces like Nigeria's beverage industry, according to Adeola and Evans (2017). According to Adeleke and Aminu (2020), the discovery that market segmentation has little effect on its own implies that in order for segmentation to result in successful marketing, it must be combined with creative distinction.

The correlation results also show a moderately favorable association between marketing strategy and product distinctiveness, indicating that customers' perceptions of Coca-Cola's unique identity have a substantial impact on their purchasing decisions. This validates the findings of Akinyele (2010) and Dibb and Simkin (2021), who noted that when consumers perceive real product uniqueness, differentiation drives market advantage.

Additionally, the regression model showed that only a small percentage of the difference in marketing success can be explained by demographic parameters like age, income, and occupation. This supports Saunders, Lewis, and Thornhill's (2019) theory that, in the absence of compelling brand value propositions, consumer loyalty may not be predicted by demographic segmentation alone.

Overall, the results show that Coca-Cola's ability to stand out through product quality, consistent branding, and emotional marketing appeal is what keeps it ahead of the competition in Benin City. Porter's (1985) theory of competitive advantage, which contends that businesses attain superior performance by providing unique value that competitors find difficult to match, is supported by this.

CHAPTER FIVE

SUMMARY, CONCLUSION, AND RECOMMENDATIONS

5.1 Introduction

The results of the study on product differentiation and market segmentation as marketing tactics of Coca-Cola Nigeria Plc in Benin City are summarized, concluded, and recommendations are presented in this chapter. The objective is to present the main findings from the data analysis, connect them to the goals of the study, and offer useful recommendations for enhancing Coca-Cola's market performance. The findings' management and future research implications are also covered in this chapter.

5.2 Summary of Findings

This study looked at how Coca-Cola Nigeria Plc's marketing strategy in Benin City was affected by product differentiation and market segmentation. Multiple regression analysis, Pearson correlation, and descriptive statistics were used to examine the data gathered from 400 respondents.

The results showed that Coca-Cola's marketing approach is significantly improved by its product differentiation techniques, which include distinctive taste, eye-catching packaging, and consistent branding. This suggests that unique product attributes and brand identity have a significant impact on consumer choice and purchase behavior.

On the other hand, there was a statistically insignificant yet favorable correlation between market segmentation and marketing approach. This implies that although segmentation helps identify and target consumer groups, it does not determine marketing success on its own unless it is paired with successful differentiation.

While the regression results indicated that product differentiation, market segmentation, and demographic factors like age, occupation, and income level can account for 28.1% of variations in Coca-Cola's marketing strategy, the correlation analysis further confirmed a moderately positive association between the study variables. Overall, the analysis shows that Coca-Cola's successful market performance in Benin City is mostly due to its differentiation methods, which are bolstered by successful but less significant segmentation initiatives.

5.3 Conclusion

According to the study's findings, Coca-Cola's marketing approach in Benin City is much improved by product differentiation. Taste, packaging, and brand image are examples of distinctive product attributes that have helped the business maintain a competitive edge and consumer loyalty. On the other hand, market segmentation did not significantly influence marketing strategy on its own, although being strongly correlated. This suggests that without creative differentiation activities, segmentation is insufficient on its own.

The regression and correlation analysis also showed that Coca-Cola's efforts to differentiate itself account for a significant amount of its marketing success, whereas demographic factors like age, occupation, and wealth had very little bearing. Overall, the study demonstrates that Coca-Cola's capacity to distinguish products and uphold a consistent brand identity is a major factor in its ongoing market dominance in Benin City. Its marketing efficacy and customer engagement could be further improved by fortifying segmentation tactics to support differentiation.

5.4 Recommendations

The following suggestions are put out to improve Coca-Cola's marketing approach in Benin City in light of the study's findings and conclusions:

1. Boost Product Differentiation Efforts: To preserve its strong brand appeal, Coca-Cola should keep spending money on creative product designs, novel flavors, and eye-catching packaging. Consumer loyalty and market supremacy will be further strengthened by ongoing improvements in flavor and product quality.

2. Improve Market Segmentation Strategies: Coca-Cola should improve its segmentation strategies by employing data-driven insights to better understand consumer preferences across various age groups, occupations, and income levels, even though segmentation demonstrated a limited independent influence.

3. Integrate Differentiation and Segmentation: By providing specialized marketing campaigns catered to particular consumer clusters, the business should match its differentiation and segmentation tactics. This will guarantee that product variations successfully satisfy the demands of every market niche.

4. Use Targeted Marketing Communication: Coca-Cola should emphasize its USPs in its advertising and promotional messaging, especially on digital platforms that appeal to Benin City's youth.

5. Ongoing Market Research: To monitor shifting consumer preferences and competition dynamics, regular consumer research should be carried out. This will help Coca-Cola stay competitive and react quickly to new market developments.

5.5 Contribution to Knowledge

Using Coca-Cola Nigeria Plc in Benin City as a case study, this study adds empirical evidence to the expanding body of marketing literature on the combined impact of product differentiation and market segmentation on marketing strategy within the Nigerian soft drink business.

The results expand on current theories by showing that, although segmentation and differentiation are both crucial, product differentiation has a greater and more direct impact on marketing success in this situation. This realization contributes to the knowledge that maintaining brand loyalty and competitive advantage in expanding countries requires differentiation backed by efficient segmentation.

Additionally, the study makes a practical contribution by providing context-specific insights on how Coca-Cola may align its segmentation and differentiation strategies to enhance market performance and customer happiness. Additionally, it offers a foundation for future scholars and professionals who wish to investigate the dynamics of marketing strategies in comparable metropolitan settings throughout Nigeria.

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