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VALUE CREATION AND CUSTOMER RETENTION AMONG FOOD AND BEVERAGES FIRMS IN NIGERIA

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Abstract

This study examined the influence of value creation on customer retention among food and beverages firms in Anambra State, Nigeria. A descriptive survey research design was adopted for the study. The population comprised 408 staff drawn from 10 selected food and beverages firms across major towns in Anambra State. Using the Taro Yamane formula, a sample size of 202 respondents was determined and proportionately allocated across the firms using Bowley's formula. Data were collected through a structured questionnaire measured on a five-point Likert scale. The hypothesis was tested using Spearman's Rank Correlation Coefficient at a 0.05 level of significance. The result showed a significant and positive relationship between value creation and customer retention (rho = 0.784, p = 0.000), indicating that improved value creation efforts lead to higher customer retention. In conclusion, firms that consistently deliver superior value through their products, services, pricing, and customer experience are more likely to retain their customers over time. The study recommended that owners of food and beverages firms need to invest in and institutionalize value creation practices, such as product quality assurance, competitive pricing, and enhanced service delivery, because these elements have been shown to significantly foster customer retention.

Keywords: Value Creation, Customer Retention, Food and Beverages Firms

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INTRODUCTION

The global food and beverage industry has undergone significant transformation in recent years, driven by rapid technological advancements, shifting consumer preferences, and intensified market competition (Gazzola et al., 2024). In Nigeria, particularly in Anambra State, the food and beverage sector has become a vital component of the local economy, driven by a high population density and increasing demand for processed and packaged consumables (Ilodilibe & Okoli, 2025). From small roadside vendors to large manufacturing companies, this industry not only provides essential nutrition but also plays a crucial role in job creation and income generation (Okeke & Nworie, 2025). The rise of urbanization and a growing middle class in the region has further increased demand for ready-to-eat meals, processed foods, and diverse beverage options. As businesses compete for market share in this evolving environment, their ability to deliver quality products and memorable experiences has become more important than ever. Consumers today are not just seeking nourishment but also convenience, consistency, and added value in the products and services they consume (Amegbe et al., 2023). This shift in consumer behavior has placed mounting pressure on firms to rethink their business strategies, particularly how they engage and retain their customers. Consequently, food and beverage firms in Anambra State are exploring innovative ways to remain relevant and competitive, with customer retention emerging as a strategic priority (Okoro, 2025).

In the current business domain, value creation and customer retention have become central to organizational survival and long-term growth. Value creation refers to a company's ability to provide meaningful benefits to customers through its products, services, and interactions (Hanaysha et al., 2024). This can be achieved through product innovation, excellent customer service, affordability, convenience, or emotional satisfaction. On the other hand, customer retention is the ability of a business to maintain its customer base over time (Vasudevan & Al Kurdi, 2025). Retained customers are more likely to make repeat purchases, offer word-of-mouth referrals, and exhibit loyalty in the face of competing offers. In the food and beverage sector, where competition is fierce and switching costs are low, retaining customers is not just desirable but necessary. Customers who perceive consistent value from a brand are less likely to switch to a competitor, even when presented with similar alternatives. Moreover, the cost of acquiring new customers is often higher than retaining existing ones, making retention a cost-effective strategy for growth (Diaconu, 2025). In this context, businesses must not only focus on attracting new customers but also on consistently delivering value that encourages repeat patronage. For food and beverage firms in Anambra State, understanding the dynamics of value creation and its link to customer retention can significantly enhance business outcomes.

The relationship between value creation and customer retention is complex but undeniably significant. When firms are able to deliver value that aligns with the expectations and needs of their customers, they create a strong foundation for loyalty (Wang& Yang, 2025). This value can come in different forms – the quality of ingredients used, speed of service, hygienic practices, cultural relevance of the meals, or even the atmosphere in which the food is served. Each of these elements contributes to how customers perceive the brand and determine whether or not they will return. In a market such as Anambra State, where customers have a variety of choices, value becomes a key differentiator. Customers who feel that a company consistently meets or exceeds their expectations are more likely to develop trust and attachment to the brand (Rizki & Tuti, 2025). Additionally, value creation fosters emotional connections, which can be just as important as tangible benefits. A positive dining experience, friendly service, and attention to detail can lead to customer satisfaction and

increase the likelihood of repeat visits. As firms strive to remain competitive, those that can effectively create and communicate value are more likely to build lasting relationships with their customers (Dewasandra et al., 2025). However, some firms focus more on daily sales and short-term profits than on delivering consistent value that keeps customers coming back. Instances of inconsistent product quality, poor customer service, unattractive packaging, and a lack of customer engagement are common. These lapses in value delivery can make it difficult for customers to develop a lasting connection with a brand, especially in an industry where switching from one brand to another is easy and often done without hesitation.

As a result of this situation, many food and beverages firms in Anambra State struggle with low customer retention. When customers do not feel satisfied or valued, they are less likely to return, leading to a gradual loss of market share and weakening of brand reputation. Over time, firms may face declining revenues, increased costs of acquiring new customers, and reduced competitiveness. This pattern threatens business sustainability and limits the ability of these firms to grow and expand within an already challenging economic environment. Thus, the objective of this study which borders on studying the influence of value creation on customer retention among food and beverage firms in Anambra State is both timely and essential.

LITERATURE REVIEW

Value Creation

Value creation refers to the process by which a business generates value for its customers, which in turn drives the business's own success and competitive advantage (Edenkwo & Anukam, 2024). It is at the heart of every business strategy, as companies must offer products or services that provide meaningful benefits to customers in order to generate revenue and sustain growth. For food and beverages firms, value creation is especially crucial, as these businesses often operate in highly competitive environments where differentiating themselves through value is essential for survival and success (Hanaysha et al., 2024; Nworie et al., 2024).

Value creation involves more than just delivering a functional product or service; it is about creating an experience, solving a problem, or fulfilling a need in a way that customers perceive as superior to alternatives (Sanusi & Aminu, 2023). This can be achieved through various means, such as innovation, quality, customer service, convenience, or price. For example, a food and beverages firm might create value by offering high-quality, locally sourced ingredients, innovative recipes, or exceptional customer service. In doing so, the business not only meets the needs of its customers but also builds a strong brand reputation that can differentiate it from competitors (Hanaysha et al., 2024).

The essence of value creation is the concept of customer satisfaction. Businesses that consistently deliver value are more likely to retain customers, generate repeat business, and receive positive word-of-mouth referrals. This is particularly important for firms, as customer loyalty is often a key driver of growth. Value creation also involves an ongoing process of improvement (Muojekwu et al., 2025), where businesses continuously assess and adjust their offerings to ensure that they remain relevant and meet evolving customer demands. Moreover, value creation can be a source of competitive advantage for firms(Sanusi & Aminu, 2023). By offering unique products or services that are difficult for competitors to replicate, firms can carve out a niche in the market and build a loyal customer base. In this sense, value creation is not just about providing a benefit to customers; it is about creating a perception of value that is both distinct and difficult to imitate (Hanaysha et al., 2024). Ultimately, the ability to create value is what enables firms to grow, compete, and sustain

long-term success in a competitive marketplace. Value creation centers on providing customers with products and services that exceed their expectations (Ilodilibe & Okoli, 2025).

Customer Retention

Customer retention refers to the ability of a business to keep its existing customers over time by fostering loyalty, satisfaction, and trust (Eze, 2024). It involves strategies and actions designed to encourage repeat purchases and long-term relationships with customers, rather than focusing solely on acquiring new ones (Israel, 2022). Customer retention is particularly important for firms because maintaining a loyal customer base can provide a steady stream of revenue, reduce marketing costs, and enhance brand reputation (Mgbemena et al., 2024). In competitive markets, customer retention is often more cost-effective than customer acquisition, making it a key focus for businesses seeking to build sustainable growth and profitability.

A high level of customer retention is indicative of a strong value proposition, where customers perceive the business as offering products, services, or experiences that meet or exceed their expectations. Firms that prioritize customer retention focus on delivering exceptional customer service, understanding and meeting the specific needs of their customers, and providing consistent quality (Mgbemena et al., 2024). This can lead to increased customer satisfaction, which, in turn, leads to higher retention rates. For example, food and beverage firms may retain customers by offering personalized service, loyalty programs, or consistently high-quality products that customers trust. In addition to its direct impact on revenue, customer retention plays a crucial role in brand advocacy. Satisfied customers are more likely to recommend a business to others, driving organic growth through word-of-mouth and referrals (Eze, 2024). This is especially important for firms, as their reputation and customer base are often built through personal recommendations and local networks. Furthermore, loyal customers are more likely to forgive occasional mistakes, provide valuable feedback, and contribute to a business's success by becoming brand advocates. Ultimately, customer retention is a key indicator of long-term business success, as it reflects a company's ability to build lasting relationships with its customers and create value over time.

Theoretical Framework

The study is anchored on Customer Value Theory was developed in the 1990s, emerging prominently through the works of scholars like Woodruff of 1997 and Zeithaml of 1988 (Kainth & Verma, 2011), who sought to understand why customers make certain choices and remain loyal to particular products or brands. The theory was built on the growing need to shift business focus from internal efficiency to delivering what customers truly perceive as valuable. As markets became increasingly competitive, especially in consumer-driven industries, researchers and marketers began to pay more attention to how customers evaluate value and how this evaluation influences their purchasing and loyalty behavior (Oh & Kim, 2017).

The theory is based on the idea that customers assess the value of a product or service by comparing what they receive (benefits) to what they give up (costs) (Kainth & Verma, 2011). These benefits may include product quality, convenience, emotional satisfaction, and service delivery, while the costs may involve money, time, effort, or even psychological stress. The greater the perceived value in this exchange, the higher the likelihood that customers will

remain loyal and continue to patronize the brand. The theory further emphasizes that value is not determined by the producer but by the customer's individual perception, which may vary across contexts, experiences, and expectations (Amegbe et al., 2023).

This theory is relevant to the current study because it explains the likely mechanism through which value creation can influence customer retention in food and beverage firms. Customers in this sector are often faced with several choices, and their continued patronage depends on the value they associate with a particular brand. If a company consistently delivers products and services that customers perceive as beneficial and worth the price paid, it increases the chances of maintaining long-term relationships (Kainth & Verma, 2011). Applying the Customer Value Theory helps in understanding how efforts aimed at value creation such as product quality, packaging, pricing, and customer service can contribute to building and retaining a loyal customer base in a competitive market like that of Anambra State.

Empirical Review

Hanaysha et al. (2024) examined the relationship between value creation and competitive advantage in small and medium enterprises (SMEs) in Gulf Cooperation Council countries. A structured survey was designed to collect data from SME owners and managers in the United Arab Emirates (UAE). The data were analyzed using SmartPLS4 software to test the hypotheses. The results indicated that value creation positively influence competitive advantage.

Ikekpeazu et al. (2023) explored the relationship between value creation and organizational performance in deposit money banks in Rivers State. A cross-sectional survey design was used, involving 170 managers and supervisors, with a sample size of 118 employees from 16 banks. Data were collected through questionnaires, and the simple random sampling technique was employed. Structural Equation Modeling was used for data analysis. The study found a significant positive relationship between value creation and organizational performance.

Nwekeala et al. (2023) investigated the impact of entrepreneurial market focus on organizational competitiveness in quoted industrial goods manufacturing firms in Nigeria. The study adopted a cross-sectional survey research design and focused on ten quoted industrial goods manufacturing firms. The sample consisted of 60 managers from various departments within each firm. Data were collected through a 39-item questionnaire, and statistical analysis was conducted using both univariate and bivariate statistics, including simple regression analysis. The results revealed that value creation improved organizational competitiveness.

Sanusi and Aminu (2023) investigated the influence of value creation on SME performance in Jigawa State, Nigeria. A survey research design was employed, and data were collected through questionnaires from 210 registered SMEs in Jigawa State. Multiple regression analysis was used to test the hypotheses at a 5% significance level. The findings indicated that value creation had a significant positive effect on SME performance in Jigawa State.

Christian et al. (2023) examined the relationship between value creation and competitiveness in shoe-making firms in Rivers State. Using a correlational research design, the study surveyed seventy managers from fifty registered shoe manufacturing firms in Rivers State. A random sample of thirty managers participated. The questionnaire used for data collection was tested for reliability with a Cronbach’s Alpha of 0.97, exceeding the benchmark of 0.7. The data were analyzed using Pearson Product Moment Correlation and SPSS version 22.

The study found a strong positive relationship between value creation and business sustainability.

Putta (2023) explored the relationship between entrepreneurial marketing and the financial performance of small and medium-scale enterprises in Pune, India. Using a qualitative approach, data were collected through a random sampling method with a questionnaire designed on a five-point Likert scale. A total of 346 entrepreneurs were surveyed, and data from 320 respondents were analyzed. Regression analysis were conducted using IBM SPSS 23. The study found a significant and positive impact of value creation on financial performance.

Gbandi and Oware (2022) examined the impact of value creation on the market performance of small-sized enterprises in Benin City, Edo State, Nigeria. The study sample consisted of 242 owners or managers of small-sized enterprises in the Benin City metropolis, selected using stratified and random sampling techniques. Data were collected using a survey and a questionnaire. Multiple regression analysis was applied to analyze the relationship between the variables. The results showed a significant positive relationship between value creation and market performance.

Ibrahim (2022) investigated the effect of value creation on the competitiveness of large-scale enterprises (LSEs) in Kwara State, Nigeria. A descriptive survey design was used, with data collected from 330 management staff of LSEs using a structured questionnaire. The results of the study revealed that value creation has no significant effect competitiveness.

Ogunmuyiwa and Onanuga (2022) explored the relationship between value creation and the performance of micro-scale businesses in Ogun East Senatorial District, Ogun State, Nigeria. The study employed a survey research design and purposive sampling to select a sample of 259 respondents from 270 questionnaires administered to owners and managers of micro-scale businesses across the nine local government areas in the study area. Regression analysis was used to analyze the data. The study found that value creation positively relate to business performance.

Anetoh et al. (2022) investigated the influence of value creation on the sustainability of plastic manufacturing firms in Anambra State, Nigeria. A survey research design was used, with data collected through questionnaires from 383 entrepreneurs and employees of 15 plastic manufacturing firms in Onitsha, Awka, and Nnewi. Regression analysis was employed to test the hypotheses at a 5% significance level. The study found that value creation had a significant and positive influence on the sustainability of plastic manufacturing firms in Anambra State.

Hanaysha and Al-Shaikh (2022) tested the impact of value creation on firm performance in small and medium-sized enterprises (SMEs) in Saudi Arabia. Using a quantitative research approach, primary data were collected through a structured survey from 153 SMEs operating in Saudi Arabia. The data were analyzed using SPSS and Partial Least Squares Structural Equation Modeling (PLS-SEM) to test the hypothesis. The study revealed that value creation positively affected firm performance.

Ighomereho (2022) examined the influence of value creation on the sustainable competitive advantage of SMEs in Osun State, Nigeria. The study adopted a survey research design and used questionnaires to collect data from 384 SMEs managers, with 356 responses (a 92.7% response rate). The empirical findings revealed that value creation through networks significantly and positively influenced sustainable competitive advantage.

Olurunlambe (2021) examined the effect of value creation on the performance of small-scale enterprises in North Central Nigeria. Using both quantitative and qualitative methods, the study surveyed 2,249 small-scale enterprise owners/managers from the region. A sample size of 343 was determined using Yaro Yamani's formula. Data collected from primary sources were analyzed using descriptive and inferential statistics, with qualitative data analyzed using Nvivo software. The study found that value creation was positively and significantly related to profitability, while value creation did not have a significant relationship with market performance.

Amin (2021) explored the effect of value creation on the performance of SMEs in Nasarawa State, Nigeria. The study surveyed 1,979 registered SMEs in the region, with a sample size of 322, determined using the Raosoft sample size calculator. Of the 322 questionnaires distributed, 136 were validly completed and returned. The data were analyzed using regression analysis. The results showed that value creation positively affected SME performance.

Gap in Literature

Despite the abundance of empirical studies investigating the relationship between value creation and various dimensions of organizational outcomes such as competitiveness, performance, and sustainability (Hanaysha et al., 2024; Ikekpeazu et al., 2023; Nwekeala et al., 2023; Sanusi & Aminu, 2023; Christian et al., 2023; Putta, 2023; Gbandi & Oware, 2022; Ibrahim, 2022; Ogunmuyiwa & Onanuga, 2022; Anetoh et al., 2022; Hanaysha & Al-Shaikh, 2022; Ighomereho, 2022; Olurunlambe, 2021; Amin, 2021), there remains a notable gap in literature concerning how value creation directly influences customer retention, particularly within the food and beverage sector in specific Nigerian contexts such as Anambra State. Most of these prior studies have either focused on different regions, such as Gulf countries, North-Central Nigeria, or Jigawa State, or examined broader firm-level outcomes like financial performance, competitiveness, or sustainability, leaving customer-level outcomes like retention underexplored. Moreover, few if any of these studies disaggregated findings to reflect the unique operational dynamics of food and beverage firms—firms that face intense competition and rely heavily on consistent customer loyalty. Therefore, this study fills a significant empirical gap by focusing specifically on the influence of value creation on customer retention among food and beverage firms in Anambra State, offering insights that are both sector-specific and geographically contextualized.

METHODOLOGY

This study adopted a descriptive survey research design to examine the influence of value creation on customer retention among food and beverages firms in Anambra State. This design is considered appropriate because the study aims to collect firsthand information from a selected sample of respondents across various firms in the state. The survey approach allows the researcher to gather quantitative data from managers and employees who are directly involved in delivering customer value and can provide informed responses regarding practices that influence customer retention.

The population of the study comprises staff from ten selected food and beverages firms operating in Anambra State. These firms were purposively selected based on their visibility, operational capacity, and contribution to local employment and economic activity. They also represent a cross-section of the food and beverages sector in major urban centers like Awka, Onitsha, and Nnewi. The total number of employees across the selected firms is 408, as shown in Table 3.1 below.

Table 3.1 Study Population

Firm Name	Address	Number of Staff for the Study
1. Nourisher Everfoods and Beverages	4 Golphin's Close, Awka 420110, Anambra	15
2. Eastern Distilleries and Food Industries	4Q78+9MV, Atani Rd, Harbour Industrial Layout, Oyiowa Odekpa 431114, Anambra	58
3. Gilgal Foods	33 College Road Mbanagu Otolo Nnewi, Nnewi	35
4. Tiger Beverages Limited	KM 4 Onitsha - Owerri Expy, Mgbuka, Onitsha 434242, Anambra	50
5. Event Beverages Limited	Tummy Tummy Building, Chikason Avenue, Umudim, Nnewi	48
6. Domino's Pizza	Along Enugu-Onitsha Express Way, Awka	19
7. Kije-Industry Nigeria	22 Achina Street, Awada Layout, Onitsha 434242, Anambra	41
8. Arumson Industries Nigeria Ltd	25/27 Amesi Street, Iyiowa Layout, Oyiowa Odekpa 431114, Anambra	56
9. Esomchi Foods	No 2 Paul Ikejiofor Close, Umuezeokalum, Nnewi	37
10. Pax Christi Integrated Food and Beverage Ltd	3P9V+QJP, Atani Rd, behind Ibuchukwu hotel, Iyowa Odekpe 431114, Anambra	49
Total		408

Source: Field Survey Findings from the Firms (2024)

To determine the appropriate sample size for this study, the Taro Yamane formula was used, which is appropriate for determining sample sizes from a finite population:

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

Where; N = Population (408)
S = Sample Size
e = Error term (0.05)
1 = Constant

$$S = \frac{408}{1 + 408(0.05)^2}$$

S = 201.980198019802

S = 202 respondents

Therefore, a sample size of 202 respondents is deemed appropriate for this study. To distribute the sample across the various food and beverages firms, Bowley's Proportional

Allocation Formula is used to ensure that the number of respondents from each firm was proportionate to the number of staff in each firm.

$$nh = \frac{nNh}{N}$$

Where n = total sample size.

Nh = No. of items in each stratum in the population.

N = population size.

The strata distribution using Bowley's formula is calculated below:

Table 3.2 Stratified Sampling Distribution

Firm Name	Population	Proportion	Sample Size (n_h)
1. Nourisher Everfoods and Beverages	15	(15 / 408) × 202	7
2. Eastern Distilleries and Food Industries	58	(58 / 408) × 202	29
3. Gilgal Foods	35	(35 / 408) × 202	17
4. Tiger Beverages Limited	50	(50 / 408) × 202	25
5. Event Beverages Limited	48	(48 / 408) × 202	24
6. Domino's Pizza	19	(19 / 408) × 202	10
7. Kije-Industry Nigeria	41	(41 / 408) × 202	20
8. Arumson Industries Nigeria Ltd	56	(56 / 408) × 202	28
9. Esomchi Foods	37	(37 / 408) × 202	18
10. Pax Christi Integrated Food and Beverage Ltd	49	(49 / 408) × 202	24
Total			202

Source: Author's Compilation (2024)

The instrument for data collection was a structured questionnaire, which focused on dimensions of value creation such as product quality, service delivery, innovation, pricing, and brand reputation, and their relationship with customer retention indicators like repurchase behavior, customer loyalty, and customer satisfaction. The questionnaire employed a five-point Likert scale format ranging from 1 (Strongly Disagree) to 5 (Strongly Agree) to capture respondent views quantitatively.

Content validity was ensured by seeking expert review from academics and professionals in the fields of marketing and management, including the research supervisor. Their feedback was used to refine the wording and structure of the questions. A pilot test was conducted with 20 employees from food and beverage firms in Enugu State to assess reliability. Cronbach's Alpha coefficient obtained was 0.80, which is above the recommended minimum of 0.70, indicating that the instrument had high internal consistency.

Data collected were analyzed using descriptive statistics to summarize the demographic characteristics and responses of the participants. Inferential analysis was conducted using Spearman's Rank Correlation to test the hypotheses, as this technique is suitable for examining the strength and direction of association between ordinal variables. All hypotheses were tested at a 0.05 level of significance.

DATA ANALYSIS

Data Presentation

Primary data for this research were obtained through the administration of a structured questionnaire designed to capture relevant information on value creation practices and customer retention strategies. The distribution and retrieval of the research instrument are summarized in Table 4.1.

Table 4.1 Response Rate

Items	Frequency	Percentage
Questionnaire Retrieved	199	98.5
Questionnaire Not Retrieved	3	1.5
Total	202	100

Source: Field Survey (2025)

As shown in Table 4.1, out of a total of 202 questionnaires distributed across the selected food and beverages firms in Anambra State, 199 were completed and returned, indicating a response rate of 98.5%. Only 3 questionnaires, representing 1.5%, were not retrieved. This high level of participation suggests strong cooperation from respondents and enhances the credibility of the data gathered for the study. To assess respondents' views on the key variables, a five-point Likert scale was employed. The scale ranged from 1 (Strongly Disagree) to 5 (Strongly Agree) and was used to evaluate responses to statements relating to value creation elements and how these influence customer retention. Table 4.2 and Table 4.3 present the analysis of responses to the research questions based on the value creation as well as customer retention variables used in the study.

Table 4.2 Analysis of Research Question on Value Creation

S/N	**Value Creation**	**SD**	**D**	**N**	**A**	**SA**	**Mean**
1	Our business creates value for customers by offering high-quality products at competitive prices.	20	36	29	80	34	3.36
2	We consistently improve our products and services to ensure we meet customer needs.	24	24	42	60	49	3.43
3	We focus on delivering exceptional customer service as a form of value creation.	14	40	30	91	24	3.36
4	We ensure that our customers receive more value than they expect when they purchase from us.	28	33	28	78	32	3.27

Source: Field Survey (2025)

Table 4.2 presents the analysis of research questions related to value creation. These constructs were measured using a five-point Likert scale, with responses ranging from

Strongly Disagree (SD) to Strongly Agree (SA). Item 1 evaluates whether businesses create value by offering high-quality products at competitive prices. The distribution here shows that a plurality of respondents (80) agreed with this statement, while only 20 strongly disagreed. The mean score of 3.36 indicates moderate agreement across the sample. Item 2 assesses continuous product improvement to meet customer needs. Agreement levels are again substantial, with 60 agreeing and 49 strongly agreeing, resulting in a higher mean of 3.43 (the highest in this set) suggesting a strong recognition of innovation's role in value creation. Item 3 reflects perceptions of customer service as a form of value creation. With 91 respondents agreeing, this item demonstrates considerable support, though there's also notable disagreement (40), keeping the mean at 3.36, consistent with item 13. Lastly, item 4 explores whether businesses deliver more value than customers expect. While 78 agreed and 32 strongly agreed, a significant number expressed disagreement (33) or neutrality (28), which brings the mean slightly lower to 3.27. This may reflect varying levels of confidence in consistently exceeding customer expectations.

Table 4.3 Analysis of Research Questions on Customer retention

S/N	**Customer Retention**	**SD**	**D**	**N**	**A**	**SA**	**Mean**
5	Our company has a high rate of repeat customers due to excellent customer service.	20	40	25	83	31	3.33
6	We offer loyalty programs or incentives that retain our customers.	27	24	44	54	50	3.38
7	Our company frequently communicates with customers to build strong relationships.	14	40	30	85	30	3.39
8	We actively seek to improve customer experiences to ensure long-term loyalty.	21	21	33	61	63	3.62

Source: Field Survey (2025)

Table 4.3 presents the analysis of responses on customer retention. Each item was measured using a five-point Likert scale, allowing respondents to express their level of agreement. Item 5 reveals that most respondents feel repeat business results from excellent customer service, as 83 agreed and 31 strongly agreed, producing a mean of 3.33. Item 6, concerning the use of loyalty programs or incentives, shows a balanced but slightly more favorable response with 50 strongly agreeing and 54 agreeing. Despite fewer neutral and negative responses, the mean is just slightly higher at 3.38.Item 7, which examines communication with customers, draws a strong positive response as well (85 agreed and 30 strongly agreed) yet the presence of 40 respondents disagreeing tempers the average to 3.39. Finally, item 8 stands out with the highest agreement overall: 63 respondents strongly agreed and 61 agreed that efforts are made to improve customer experience for long-term loyalty. This high level of endorsement is reflected in the table's highest mean of 3.62.

4.2 Test of Hypothesis

H_0: Value Creation has no significant relationship with customer retention among food and beverages firms in Anambra State.

Table 4.4 Test of Hypothesis

			Customer Retention
Spearman's rho	Value Creation	Correlation Coefficient	.784**
		Sig. (2-tailed)	.000
		N	199

Source: SPSS V. 26 Output (2025)

The results of Hypothesis IV, as presented in Table 4.4, reveal a statistically significant and positive association between Value Creation and Customer Retention among food and beverages firms in Anambra State. This relationship was examined using Spearman's rho, a non-parametric measure suitable for ordinal data or non-normally distributed variables.The correlation coefficient (rho = 0.784) indicates a strong positive monotonic association between the two constructs. This means that as the level of value creation increases, customer retention also tends to increase consistently. The magnitude of this coefficient reflects a substantial alignment between firms that actively create value (through high-quality offerings, continuous improvement, and exceptional service) and those that enjoy greater customer loyalty.

Importantly, the p-value is 0.000, which is less than the 5% significance level ($p < 0.05$). This shows that the observed relationship is not due to chance, and we can reject the null hypothesis (H03). The result confirms that value creation is significantly associated with customer retention. Having accepted the alternate hypothesis, it implies that Value Creation has a significant positive relationship with customer retention among food and beverages firms in Anambra State (rho = 0.784, p = 0.000).

4.3 Discussion of Finding

The study found a significant positive relationship between value creation and customer retention among food and beverages firms in Anambra State (rho = 0.784, p = 0.000). This strong association suggests that the more SMEs focus on creating value (through offering high-quality products, improving services, and exceeding customer expectations) the more likely they are to retain customers. In practical terms, this could mean that businesses that tailor their offerings to customer needs, deliver consistent quality, and create a compelling overall experience foster loyalty and repeat patronage. The strength of the correlation (rho = 0.784) reinforces the notion that value creation is not only an operational advantage but also a strategic necessity for sustaining customer bases in competitive markets like food and beverages. The statistical significance of the result at the 5% level confirms that this is a consistent pattern, not a chance occurrence, which speaks to the tangible benefits of prioritizing customer-centric value propositions in SME operations. This finding aligns well with several studies in the empirical review that underscore the centrality of value creation in driving customer-related outcomes and SME success. For instance, Eze (2024) reported a strong positive relationship between entrepreneurial marketing and customer retention, which supports the idea that value-driven approaches encourage customer loyalty. Similarly, Christian et al. (2023) found that value creation significantly influenced competitiveness, reinforcing the mechanism by which customer satisfaction, an outcome of value, translates to long-term engagement. Hanaysha and Al-Shaikh (2022) also established a positive effect of customer intensity and value creation on firm performance, highlighting the relevance of these variables in customer-oriented success metrics. In the same vein, Nkechinyere et al. (2023) found that proactiveness and value creation both positively affected organizational performance, which complements this study's interpretation by positioning value creation as a behavioral advantage that contributes to retention. Moreover, Ogunmuyiwa and Onanuga

(2022) confirmed the positive relationship between value creation and business performance, offering a broader perspective that ties customer loyalty to firm growth and sustainability.

CONCLUSION AND RECOMMENDATIONS

Conclusion

The findings of the study reveal a strong and statistically significant positive relationship between value creation and customer retention among food and beverages firms in Anambra State. This suggests that firms that consistently deliver superior value through their products, services, pricing, and customer experience are more likely to retain their customers over time. It indicates that customer loyalty in the food and beverages sector is largely influenced by how much value customers perceive they are receiving relative to what they invest. This value may take the form of product quality, timely service delivery, consistent taste, packaging appeal, or emotional satisfaction derived from brand interaction. The strength of the correlation implies that customer retention is not random or incidental, but is largely dependent on deliberate and sustained efforts by firms to create and deliver value that resonates with customer needs and expectations.

These findings also point to the competitive nature of the food and beverages industry in Anambra State, where customer preferences are dynamic and businesses are constantly required to differentiate themselves through value-based offerings. The significant relationship between value creation and retention shows that customers are not just seeking products, but holistic experiences that justify repeated patronage. As such, the performance and long-term survival of food and beverages firms in the region may hinge on their ability to understand customer priorities and embed value-driven practices into their operations. This result reinforces the importance of placing the customer at the center of all business strategies, especially in markets where switching costs are low and brand loyalty is built gradually through consistent value delivery.

The study recommends that owners of food and beverages firms need to invest in and institutionalize value creation practices, such as product quality assurance, competitive pricing, and enhanced service delivery, because these elements have been shown to significantly foster customer retention.

Contribution to Knowledge

This study contributes to the existing body of literature by addressing a key gap concerning the direct relationship between value creation and customer retention, particularly within the context of food and beverage firms in Nigeria. While previous studies have largely focused on value creation in relation to broader organizational outcomes such as competitiveness, performance, and sustainability across various sectors and regions (Hanaysha et al., 2024; Ikekpeazu et al., 2023; Nwekeala et al., 2023; Sanusi & Aminu, 2023; Christian et al., 2023; Putta, 2023; Gbandi & Oware, 2022; Ibrahim, 2022; Ogunmuyiwa & Onanuga, 2022; Anetoh et al., 2022; Hanaysha & Al-Shaikh, 2022; Ighomereho, 2022; Olurunlambe, 2021; Amin, 2021), limited attention has been given to customer-level outcomes such as retention, especially in the food and beverages industry. By focusing on food and beverage firms in Anambra State, this study offers sector-specific and location-based evidence on how value creation efforts influence customer loyalty. The findings provide new empirical insights into how firms operating in highly competitive and consumer-driven environments can leverage value-driven strategies to enhance customer retention.

Limitations of the study and Suggestion for Further Studies

One limitation of this study is that it focused only on food and beverages firms in Anambra State, which means the results may not apply to other sectors or states. Also, the study used a questionnaire to gather data, so the responses depended on how honest and accurate the participants were. Some staff might have given answers they thought were expected instead of their real opinions. This could affect how true the results are in real-life situations.

Future studies can look at value creation and customer retention in other industries like retail, hospitality, or telecommunications to see if the results will be the same. Researchers can also include more states in Nigeria to compare how value creation affects customer loyalty in different regions. Using other methods like interviews or focus groups can also help get deeper understanding of how customers feel about the value they receive.

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