

CUSTOMER PATRONAGE AND ENTREPRENEURIAL GROWTH AMONG THE BEVERAGE COMPANIES IN NIGERIA

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Abstract

This study examined the effect of customer patronage on entrepreneurial growth among listed beverage companies in Nigeria. Specifically, this study sought to determine the effect of sales revenue, which is used as a proxy for customer patronage, on earnings after tax, which serves as a measure of EG. An ex-post facto research design was employed, using audited secondary data from 2015 to 2024. The population consisted of all five beverage firms listed on the Nigerian Exchange Group, from which a purposive sample of four companies with complete and consistent financial reports was selected. Data were obtained from the annual financial statements of the sampled firms, and the hypotheses were tested using panel-estimated generalized least squares with cross-section seemingly unrelated regression. The findings revealed that customer patronage has a significant negative effect on the entrepreneurial growth of listed beverage firms in Nigeria ($\beta = -0.087352$; $p = 0.0023$). The study concluded that entrepreneurial growth in listed beverage firms is shaped not merely by the volume of customer transactions but also by the firm's ability to convert such patronage into sustainable profit margins. The study recommended that the management of listed beverage firms should critically review their cost structures and operational models to ensure that increased sales volumes do not erode profitability. Specifically, firms should adopt robust cost-control mechanisms and efficiency-driven strategies that enable them to convert rising customer patronage into sustainable financial growth.

1.0 Introduction

The beverage industry occupies a central position in the global economy as it provides not only daily consumption products but also employment, industrial development, and substantial contributions to national income. In Nigeria, the manufacturing sector has grown into a vibrant part of the manufacturing industry,

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encompassing multinational brands and indigenous companies that vigorously compete for consumer attention (Sa'id et al., 2025). Beverages, whether alcoholic or non-alcoholic, form part of the social, cultural, and nutritional lives of people, making demand relatively stable but also highly competitive due to the entry of new brands and alternatives. In this context, various factors, including pricing, quality, availability, and brand perception, shape customer preferences and consumption patterns (Duke & Ogunleye, 2025). Firms operating in this sector face the challenge of retaining existing customers while attracting new ones in a market where consumers can easily switch brands. This creates fertile ground for understanding how customer patronage can influence firms' growth trajectory. As listed companies, beverage firms on the Nigerian Exchange Group are expected to demonstrate consistent growth, which is often tied to how well they manage consumer loyalty and maintain their market share (Yusuf & Nwankwerre, 2024). The issue of patronage is particularly important due to the competition within the industry, as sustainable entrepreneurial growth is closely connected to a steady and loyal customer base that ensures regular revenue streams and resilience against market fluctuations.

Entrepreneurial growth is a central theme in business development because it determines how firms scale operations, expand their market presence, and remain competitive over time (Hasiara et al., 2025). In the context of listed beverage companies, growth is often measured not only in financial terms, such as revenue or profit, but also in non-financial outcomes, such as brand visibility, market reach, and organizational adaptability. Customer patronage, on the other hand, plays a crucial role in sustaining such growth, as businesses rely on customers for repeat purchases, referrals, and positive market reputation (Agbaeze et al., 2017). In today's business environment, firms no longer solely thrive by producing goods or services but by building relationships with their customers that translate into consistent support. This has become even more relevant in the era of globalization and digitalization, where customers have wider options and access to alternatives. Strong customer patronage reduces market demand volatility and gives firms greater predictability in planning, investing, and innovating (Diyaolu et al., 2022). For listed beverage companies that are accountable to shareholders and regulators, sustained growth through customer patronage is not only desirable but also essential for maintaining investor confidence. The ability to directly link customer satisfaction and loyalty to entrepreneurial growth has become a significant factor in corporate strategies, as it ensures that growth is rooted in sustainable market realities rather than short-lived competitive advantages (Chukwu, 2023).

Customer patronage has a direct bearing on entrepreneurial growth because the customer sustains business existence through repeated purchases and advocacy. Customers create stable revenue inflows, reduce the costs associated with aggressive marketing, and enhance the firm's ability to reinvest profits into expansion when they repeatedly choose a particular brand (Rudanko, 2017). The Nigerian beverage industry illustrates this reality, as companies with stronger customer bases continue to grow despite economic fluctuations, inflationary pressures, and competition from substitutes. Patronage also influences entrepreneurial growth through brand reputation because satisfied customers often recommend products to others, thereby widening the customer base without proportional increases in marketing expenditure. Consistent patronage provides firms with valuable feedback that can guide product improvement, innovation, and alignment with consumer tastes (Lion & Akpan, 2024). For listed beverage firms, which often operate on large scales and require heavy capital investments, such loyalty translates into reduced risks and greater long-term stability. Without sustained customer patronage, entrepreneurial growth would be uncertain as revenues become inconsistent and firms struggle to plan effectively for the future.

Companies are generally believed to achieve sustainable growth in a competitive business environment when customers consistently purchase their products and demonstrate loyalty to their brands. Strong customer

patronage provides firms with reliable revenue streams, reduces the cost of customer acquisition, and creates room for expansion through reinvestment of profits (Diyaolu et al., 2022). In the beverage industry, where consumer demand is high and relatively stable, companies that enjoy regular patronage are better positioned to innovate, expand distribution channels, and strengthen their market share. Such steady patronage also enhances the reputation of listed firms among investors, builds confidence in financial markets, and ensures the long-term survival of the business.

However, the experience of beverage companies in Nigeria shows that this is not always the case. Despite operating in a sector with consistently high demand, many listed firms struggle with irregular customer loyalty (Agbaeze et al., 2017). Consumers frequently shift from one brand to another because of concerns over quality, pricing, product availability, and even changing tastes influenced by aggressive competition. This has created a situation where sales volumes fluctuate, and companies are unable to fully capitalize on the country's large consumer base. Consequently, firms are not always able to translate their market presence into sustainable EG. The outcome of this situation is that many listed beverage companies face growth performance uncertainties despite the vast opportunities in the Nigerian market. Weak customer patronage undermines revenue stability, erodes shareholder confidence, and hampers a firm's ability to expand or innovate effectively (Lin et al., 2023). It also makes companies more vulnerable to economic shocks because an unstable customer base weakens the financial foundation needed to withstand external pressures. Eventually, this situation threatens beverage companies' ability to achieve consistent entrepreneurial growth and maintain competitiveness within the manufacturing sector.

1.1 The objective of the study

This study aims to examine the effect of customer patronage on entrepreneurial growth among listed beverage companies in Nigeria. However, sales revenue was the proxy for customer patronage, while earnings after tax was the index for entrepreneurial growth.

2.0 Literature Review

2.1 Conceptual Review

2.1.1 Customer Patronage

Customer patronage refers to buyers' continuous support and preference toward a particular product, service, or business over time (Agbaeze et al., 2017). It reflects consumers' willingness to repeatedly choose and purchase from a company rather than from competing firms. Patronage is often visible in the frequency of purchases, loyalty to a brand, and consistent engagement with a business's offerings (Diyaolu et al., 2022). In business studies, customer patronage is widely regarded as a measure of a firm's ability to maintain market relevance by meeting or exceeding consumer expectations. Customer patronage not only shows actual buying behavior but also captures a company's emotional trust and satisfaction. Firms that secure high levels of patronage usually provide reliable quality, competitive pricing, and memorable experiences that give customers reasons to return (Chukwu, 2023). In service-driven industries, such as retail or hospitality, patronage is closely related to reputation and customer care. Meanwhile, in the manufacturing or product-focused sectors, durability, availability, and performance are connected.

Customer patronage also serves as a market stability indicator. Customers' repeated choice of a company signals reduced risk of revenue fluctuation and provides opportunities for long-term planning (Agbaeze et al., 2017). For example, a cement company with strong construction firm patronage can better predict its sales volume and plan production accordingly. This demonstrates that patronage is not a one-time occurrence but a consistent and dependable flow of customer support. Ultimately, the strength of customer patronage determines

whether a business can maintain growth, withstand competition, and build a loyal base that protects it from sudden shifts in consumer preference (Shonubi et al., 2025).

2.1.1.1 Sales Revenue

Sales revenue refers to the total monetary value a business earns from selling its goods or services within a given period (Al Hayek, 2018). It is the most direct reflection of a company's market transactions and represents the inflow of funds before any expenses are deducted. Sales revenue is a fundamental figure that shows the scale of a company's commercial activities and serves as the starting point for calculating profitability and is often recorded at the top of financial statements. A more expansive view of sales revenue highlights its role as both a performance measure and a financial lifeline (Nuseva et al., 2025). It shows the demand for what the company produces and the resources needed to cover operating costs, repay debts, and reinvest in expansion. Unlike profit, which takes expenses into account, sales revenue is a gross figure, indicating the total income generated regardless of the cost structure. This makes it useful for assessing market strength and operational reach (Okorozoh, 2025).

Sales revenue also embodies a firm's market strategy effectiveness. For example, high sales revenue can indicate successful pricing, branding, and distribution, whereas low revenue may signal problems in demand, competition, or customer perception (Al Hayek, 2018). In industries with seasonal demand, sales revenue fluctuations reveal the cycles that guide production and resource planning. It is also a critical benchmark for investors, who often use revenue trends to judge whether a company has growth potential or is losing competitiveness. Beyond its financial value, sales revenue also has symbolic importance. It shows how well a company can translate its vision, production, and service delivery into measurable economic outcomes (Okpara, 2020).

2.1.2 Entrepreneurial growth

Entrepreneurial growth refers to the process by which a business, particularly one initiated by an entrepreneur, expands in size, capability, and market presence over time (Johannisson, 2017). It encompasses the measurable increase in a firm's resources, customer base, and output, reflecting the entrepreneur's ability to translate ideas into sustainable ventures. In this sense, growth is not limited to financial gains but also includes capacity expansion, brand recognition, and market influence (Audretsch et al., 2023). Entrepreneurial growth is the progression from a small- or medium-scale operation into a larger and more competitive business. Higher revenue, greater employment, and stronger market share often mark this progression. Growth is also tied to the entrepreneur's vision and decision-making skills, which determine whether the firm can seize opportunities, adapt to challenges, and remain innovative (Johannisson, 2017). Entrepreneurial ventures, unlike large corporations, often face resource constraints, so their growth reflects the founder's skill in mobilizing limited resources for maximum impact. Entrepreneurial growth also contributes to the wider economy. Entrepreneurs stimulate job creation, increase production, and strengthen supply chains when they grow their businesses (Hasiara et al., 2025).

2.1.2.1 After-tax Earnings

Earnings after tax, often referred to as net income, is the profit a company retains after deducting all expenses from its total revenue, including operating costs, interest, and tax obligations (Abu-Abbas, 2011). It represents the actual financial benefit that accrues to a business' owners or shareholders after the government has collected its due share. Recorded at the bottom of the income statement, it is widely regarded as the final measure of a firm's profitability. While revenue reflects how much money comes in and expenses show the cost of generating that revenue, after-tax earnings demonstrate what remains as real financial gain (Ivanova, 2024).

This figure reflects efficiency, competitiveness, and financial discipline (Al Hayek, 2018). It is especially important for shareholders because it determines the firm's dividend-paying ability and signals the potential for reinvestment.

Earnings after tax are also significant in performance evaluation. They reveal how well a company manages both internal costs and external obligations, such as taxes (Abu-Abbas, 2011). A high earnings figure shows that a company is capable of not only generating revenue but also effectively managing its financial structure. Conversely, consistently low earnings after tax may indicate inefficiencies, high borrowing costs, or excessive taxation. In addition to financial relevance, after-tax earnings also affect market perception. Investors, analysts, and creditors often use this figure to assess a company's stability and growth prospects.

2.2 Theoretical Framework and Research Hypothesis Development

This study was anchored on the Customer Loyalty Theory, which was propounded by Dick and Basu (1994). Their work, *Customer Loyalty: Toward an Integrated Conceptual Framework*, became one of the most influential contributions to the study of loyalty in marketing and consumer behavior. Prior to their model, customer loyalty was loosely studied through concepts such as repeat purchase behavior and brand attachment. The main postulations of the theory are that customer loyalty is shaped by both behavioral and attitudinal factors (İşoraitè, 2016). Behavioral loyalty is observed in repeated purchase actions, whereas attitudinal loyalty is reflected in psychological attachment, positive word-of-mouth, and a sense of brand commitment (Khan et al., 2015). Dick and Basu (1994) argued that loyalty goes beyond mere habit; it is reinforced when customers are satisfied with performance, trust the brand, and perceive higher value compared to alternatives. They also posited that true loyalty is distinct from simple repeat buying, as it combines favorable attitudes with consistent behavior. This dual view explains why some customers frequently purchase a product out of convenience but lack a deeper emotional bond with the brand.

The relevance of customer loyalty theory to this study lies in its direct explanation of how customer patronage sustains EG. For listed beverage companies in Nigeria, customer patronage embodies both repeat purchases and attitudinal loyalty. Loyal customers provide firms with a steady flow of revenue (Rudanko, 2017), enhance market stability, and generate referrals, all of which promote entrepreneurial growth. Hence, this study hypothesizes that:

Ha: Customer patronage positively affects the entrepreneurial growth of listed beverage firms in Nigeria.

2.3 Empirical Review

Duke and Ogunleye (2025) investigated the influence of brand excitement on the financial outcomes of food and brewery companies in Nigeria. Adopting a correlational research design, the study drew data from 89 participants through a structured questionnaire, which allowed for an analysis of the link between the two variables without manipulation. The instrument was developed using a five-point Likert scale, and the respondents were purposively selected. Data analysis was conducted using correlation techniques. The results indicated that brand excitement has a significant and strong positive effect on food and brewery firms' profitability growth in Nigeria. Based on these findings, the researchers concluded that brand excitement is a vital driver of profitability and recommended that managers and business owners embrace brand excitement strategies, as products associated with excitement tend to attract more customers due to their uniqueness.

Nuseva et al. (2025) explored the effect of sales growth on manufacturing enterprises' profitability in Serbia between 2018 and 2021. Profitability, measured by return on assets, served as the dependent variable, whereas firm size, current ratio, leverage, sales growth, and inventory ratio were employed as independent variables. This study analyzed 200 observations drawn from medium- and large-scale companies using panel regression

models. The findings revealed that sales growth and inventory ratio exerted a positive and significant influence on ROA. In other words, profitability increases with higher sales growth. The authors argued that these outcomes would guide manufacturing company managers to pursue strategies that promote stable and sustainable growth.

Shonubi et al. (2025) studied the influence of food hygiene standards, particularly environmental sanitation, on patronage within food and beverage establishments. The objectives of this study included evaluating the link between environmental hygiene and customer patronage, measuring the impact of hygiene on restaurant reputation, and examining how hygiene practices affect firm growth and expansion. Employing Spearman correlation and binary logit regression, the study found that proper environmental hygiene is strongly associated with higher customer patronage and significantly improves a restaurant's reputation. Moreover, hygiene practices support business expansion. Consequently, the authors recommended that regulatory agencies ensure strict compliance with sanitation standards, while restaurant operators should consistently uphold high hygiene practices to boost reputation, attract customers, and drive long-term growth.

Okorozoh (2025) assessed how rising production costs affect sales performance in South East Nigerian brewery firms. The study utilized a simple linear correlation design and focused on management and staff with a total population of 750 individuals. A sample of 261 was determined using Slovin's formula, though 236 valid responses were eventually obtained, representing a response rate of over 90%. The data met normality assumptions using the Anderson-Darling test and showed no evidence of multicollinearity, justifying the use of parametric regression analysis. Pearson correlation and regression analyses revealed that rising production costs had significant positive effects on sales volume, customer purchase frequency, and consumer loyalty. Analytical procedures were executed using IBM SPSS version 28.0 and Minitab version 20.0, thereby strengthening the credibility of the findings.

Yusuf and Nwankwerre (2024) investigated the role of branding in enhancing organizational performance among food and beverage firms. The research adopted a survey design and covered a population of 962 individuals, from which a sample of 481 respondents was derived using Krejcie and Morgan's sampling table. Data were gathered using a structured questionnaire that demonstrated strong reliability, with Cronbach's alpha values ranging from 0.73 to 0.88. Descriptive and inferential statistical techniques were used to analyze the responses at a 5% level of significance. The findings showed that branding exerts a significant positive effect on the organizational performance of food and beverage firms in Lagos State ($\text{Adj. } R^2 = 0.165$, $F(4, 445) = 23.226$, $p < 0.05$). On this basis, the study concluded that branding enhances performance and recommended that managers cultivate a brand-centric culture by aligning their brand identity with their firm's values, strategies, and operations.

Chetty and Govender (2024) investigated how operational efficiency factors influence the growth of SMEs in South Africa. Using a quantitative design with an online survey, both descriptive and inferential statistics were applied in the data analysis. The results showed that operational efficiency positively contributes to SME growth. Specifically, eight growth indicators—employment, sales, revenue, gross profit, asset value, customer base, vendor base, and supplier base—were tested, all of which formed a reliable composite for measuring small business growth. The study further established that seven operational efficiency practices, including lean practice, SCM, HRM, technology, innovation, marketing, and quality, were key drivers of SME growth. Among these, technology and innovation practices emerged as the strongest predictors. Hence, SMEs that adopt these practices are more likely to survive, expand, and generate employment opportunities.

Chukwu (2023) examined the influence of customer support on sales enthusiasm in Port Harcourt's food and beverage enterprises. A total of 120 SMEs were identified using business directories and government records, with 92 selected through the Krejcie and Morgan sampling table. A correlational survey design was adopted, and data reliability was confirmed with a Cronbach's alpha of 0.88, exceeding the acceptable benchmark of 0.7. Both descriptive and inferential analyses were performed, and the Spearman Rank-Order Correlation technique was used to test hypotheses. The findings revealed that repeat patronage and referrals were strongly and positively linked to both harmonious and obsessive sales passion. The study concluded that customer support is largely influenced by sales personnel's enthusiasm and passion. Therefore, it was recommended that sales staff in the food and beverage industry maintain both harmonious and obsessive passion to attract and sustain customer patronage.

Diyaolu et al. (2022) explored the effect of sales promotion strategies—such as free samples, rebates, contests, and price discounts—on customer patronage in selected food and beverage companies in Lagos, Nigeria. Employing a cross-sectional survey design, the study targeted 3,502 staff members across selected firms. Using Taro Yamane's formula, an appropriate sample size was determined, and 344 valid responses were retrieved for analysis. The data were processed using multiple regression techniques. The results indicated that sales promotion tools significantly influenced patronage. Based on these findings, the study recommends that Nigeria's food and beverage sector firms should establish structured, well-planned, and effectively managed promotional programs to maximize their effectiveness.

Okpara (2020) analyzed the role of customer-driven strategies in enhancing Seven Up Bottling Company's performance in southern Nigeria. The study focused on product differentiation, value proposition, consumer co-creation, and customer benefit segmentation as strategies to improve profitability, market share, sales growth, and productivity. Data were collected through in-depth interviews with 10 distributors and 400 structured questionnaires administered to distributors across five plants, alongside secondary data on profits, market share, and sales between 2013 and 2017. Analysis was conducted using multiple regression and the Dickey-Fuller test. The findings demonstrated that customer-driven strategies significantly improved profitability, market share, and sales growth, with adjusted R^2 values of 0.517, 0.488, and 0.537, respectively, all supported by significant p-values. The study concluded that the adoption of customer-driven strategies is central to improving organizational performance.

Agbaeze et al. (2017) conducted a comparative study of customer patronage of two leading beverage brands, Cadbury Bournvita and Nestle Milo, in Enugu, Nigeria. The objectives of this study included identifying factors influencing consumer behavior, examining the role of health benefits, determining the effect of promotions, and assessing the impact of taste on satisfaction and repeat purchase. Using the survey design, the researchers selected 384 consumers using Cochran's formula. A five-point Likert-scale questionnaire was administered, and data were analyzed at a 5% significance level. The results indicated that product availability, packaging, quality, brand loyalty, and promotions significantly shaped consumer patronage. While Milo's patronage was largely influenced by product quantity, packaging, and brand loyalty, Bournvita's patronage was driven by availability, price, packaging, and loyalty. Health benefits also strongly influenced consumer choice, with Milo benefiting more from this factor than Bournvita. The study further revealed that taste significantly contributed to repeat patronage of both products.

2.4 Gap in the Literature

A review of existing empirical studies shows that scholars have paid significant attention to diverse factors influencing customer patronage and business performance in the food, beverage, and manufacturing sectors. For

instance, Duke and Ogunleye (2025) linked brand excitement to profitability, whereas Nuseva et al. (2025) examined sales growth in relation to ROA. Similarly, Shonubi et al. (2025) emphasized the role of hygiene in sustaining patronage, whereas Okorozoh (2025) considered the effects of rising production costs on sales. Yusuf and Nwankwerre (2024) highlighted branding as a performance driver, and Chetty and Govender (2024) demonstrated the role of OE in SME growth. Chukwu (2023) revealed how customer support and sales enthusiasm shape consumer behavior, while Diyaolu et al. (2022) demonstrated the effectiveness of sales promotion tools in boosting patronage. Likewise, Okpara (2020) underscored the influence of customer-driven strategies, and Agbaeze et al. (2017) provided comparative hints into consumer choices between two beverage brands. Although these studies provide rich insights into factors such as branding, sales growth, hygiene, operational efficiency, and promotional strategies, a clear gap remains in understanding how customer patronage, measured through sales revenue, affects entrepreneurial growth, specifically among listed beverage firms in Nigeria. Unlike previous works that largely emphasized correlation, perception-based surveys, or promotional/branding variables, the current study adopts audited panel data and econometric estimation to directly assess the effect of customer patronage on entrepreneurial growth, thereby addressing an underexplored dimension of firm performance in the Nigerian beverage sector.

3.0 Methodology

This study adopted an ex-post facto research design to examine the effect of customer patronage on EG among listed beverage companies in Nigeria. This design was appropriate because both sales revenue and earnings after tax are historical financial data that cannot be manipulated by the researcher. The ex-post facto approach allowed the study to evaluate how variations in customer patronage, measured by sales revenue, have affected entrepreneurial growth, proxied by earnings after tax, within the study period of 2015–2024. By relying on audited financial statements, this study provides an objective and evidence-based framework for drawing conclusions about the effect of customer patronage on EG.

The study population consisted of all beverage companies listed on the Nigerian Exchange Group (NGX) as of December 31, 2024. These companies were selected because they operate within the beverage industry, have significant customer bases, and contribute substantially to Nigeria's non-oil economy. The beverage companies that formed the population are listed below:

Table 1: Study population

1. Champion Breweries Plc.
2. Golden Guinea Breweries Plc.
3. Guinness Nigeria Plc
4. International Breweries Plc.
5. Nigerian Breweries Plc.

Source: Nigerian Exchange Group (NEG) (2024)

The study employed a purposive sampling technique to select companies with complete and consistent financial data for the 10-year period (2015–2024). This criterion ensured the availability of reliable panel data for analysis. Based on this, Golden Guinea Breweries was dropped while the other four were chosen as the sample size. These firms were consistently listed on the NGX throughout the study period and published audited financial statements, thereby providing sufficient and credible data for the study.

Table 2: Study sample size

1. Champion Breweries Plc.
2. Guinness Nigeria Plc

3. International Breweries Plc.

4. Nigerian Breweries Plc.

Source: Compilation of the Researcher (2025)

This study relied solely on secondary data obtained from the audited annual financial statements of the sampled firms for the period 2015–2024. The data were sourced from the official website of the Nigerian Exchange Group, company websites, and other relevant financial databases. The extracted key data included sales revenue (a proxy for customer patronage) and earnings after tax (a proxy for entrepreneurial growth). The use of audited financial data ensured reliability, accuracy, and compliance with international accounting standards.

The study included one independent variable—customer patronage (proxied by sales revenue)—and one dependent variable—entrepreneurial growth (proxied by earnings after tax). The operational definitions are as follows:

Table 3: Variable operationalization

Variable	Proxy/Formula	Description
Entrepreneurial Growth	Earnings after tax (EAT)	Net profit attributed to shareholders after tax deductions
Customer Patronage	Sales Revenue	Total revenue generated from the sales of goods and services

Source: Compilation of the Researcher (2025)

The general panel regression model was modified to suit its objectives. A Panel EGLS (Cross-section SUR) estimation technique was employed to account for cross-sectional heterogeneity and potential contemporaneous correlation among the firms. The model is expressed as follows:

$$EAT_{it} = \beta_0 + \beta_1 SR_{it} + \mu_{it} \quad \text{eq. (i)}$$

Where:

EAT_{it} = Earnings after tax of firm i in year t (proxy for EG)

SR_{it} = Sales revenue of firm i in year t (proxy for customer patronage)

β_0 = Intercept

β_1 = Coefficient of sales revenue

μ_{it} = Error term

Data were analyzed using both descriptive and inferential statistical methods. Descriptive statistics, such as mean, maximum, minimum, and standard deviation, were used to provide a summary of the dataset. The study employed Panel EGLS regression with cross-section SUR weighting to test the hypotheses, which is suitable for controlling heteroscedasticity and contemporaneous correlation across firms. This method allowed for robust estimation of the effect of customer patronage (sales revenue) on EG (earnings after tax). All statistical analyses were conducted using appropriate econometric software capable of handling panel data structures.

The decision rule for hypothesis testing was based on a significance level of 5%. If the p-value of the coefficient of sales revenue was less than 0.05, the null hypothesis would be rejected, indicating a significant effect of customer patronage on EG. Conversely, the null hypothesis would be accepted if the p-value was greater than 0.05, implying that customer patronage had no significant effect on entrepreneurial growth among the sampled firms.

4.0 Data Analysis

4.1 Descriptive Analysis (DA)

This study examined the effect of customer patronage on entrepreneurial growth among listed beverage companies in Nigeria. Specifically, this study sought to determine the effect of sales revenue, which is used as a proxy for customer patronage, on earnings after tax, which serves as a measure of EG. An *ex-post facto* research design was employed, using audited secondary data from 2015 to 2024. The collected data are presented in Appendix A.

Table 4 Descriptive Analysis Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Sales Revenue(₦'000)	40	3501845	1074881526	198503311.70	214955265.129
Earnings After Tax(₦'000)	40	-144338449	38049518	-9645921.35	37934681.105
Valid N (listwise)	40				

Source: Summary of Statistics Output (2025)

Table 4 presents the descriptive statistics for sales revenue, which was used as a measure of customer patronage. The results reveal that sales revenue among the listed beverage companies ranged from ₦3,501,845,000 to ₦1,074,881,526,000, indicating a wide gap in the sales performance of firms within the industry during the study period. The mean value of ₦198,503,312,000 reveals that the companies generated substantial revenue from customer patronage on average, although the high standard deviation of ₦214,955,265,000 demonstrates a high degree of variability. This variability implies that while some firms consistently enjoyed strong sales volumes, others struggled with much lower levels of patronage, reflecting possible differences in market dominance, brand strength, or distribution networks across the sampled firms.

In the case of earnings after tax (EAT), Table 4 reveals a minimum value of –₦144,338,449,000 and a maximum value of ₦38,049,518,000. The negative minimum value indicates that some beverage companies recorded losses during the study period, whereas the positive maximum indicates that others could generate significant profits. The mean value of –₦9,645,921,000 points to an overall tendency toward industry losses, which is further highlighted by the very large standard deviation of ₦37,934,681,000. This dispersion indicates that beverage companies' profitability was highly unstable, with large differences between firms and across different years. The results reflect the industry's challenges in maintaining steady entrepreneurial growth despite generating substantial sales revenue.

4.2 Test of the Hypothesis

H0: Customer patronage does not significantly affect the entrepreneurial growth of listed beverage firms in Nigeria.

Table 5 Test of the hypothesis

Dependent Variable: After-tax Earnings

Method: Panel EGLS (cross-section SUR)

Date: 08/10/25 Time: 02:55

Sample: 2015 2024

Periods included: 10

Cross-sections included: 4

Total panel (balanced) observations: 40

Linear estimation after one-step weighting matrix

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Sales Revenue	-0.087352	0.026711	-3.270233	0.0023
C	9461249.	1486550.	6.364568	0.0000
Weighted Statistics				
R-squared	0.215081	Mean var dependent		0.075711
Adjusted R-squared	0.194425	S.D.-dependent var		1.500052
S.E. of the regression	1.013441	Sum squared resid		39.02835
F-statistic	10.41264	Durbin-Watson stat		1.484417
Prob(F-statistic)	0.002577			

Source: Summary of Statistics Output (2025)

Table 5 presents the test of hypothesis with Earnings After Tax (EAT) as the dependent variable and SR (proxy for customer patronage) as the independent variable. The R-squared value is 0.215081, which means that customer patronage explains about 21.5% of the variation in entrepreneurial growth (measured by earnings after tax) of the listed beverage firms. Although the explained proportion is relatively modest, it shows that customer patronage accounts for a notable share of variations in growth outcomes. Prob(F-statistic) = 0.002577, which is less than the 5% significance threshold, indicates that the overall model is statistically valid. This means that taken together, the explanatory variable significantly explains firms' variation in entrepreneurial growth. Additionally, the Durbin-Watson statistic of 1.484417 falls within an acceptable range, revealing that autocorrelation in the residuals is not severe, thereby lending further credibility to the model's validity.

The constant term has a coefficient of 9,461,249 and a p-value of 0.0000, which is highly significant at the 5% level. This implies that when customer patronage (proxied by sales revenue) is held at zero, listed beverage firms' entrepreneurial growth, as measured by earnings after tax, will still amount to approximately 9.46 million units. The positive and significant constant highlights these firms' baseline earnings potential independent of customer patronage, possibly reflecting other factors such as brand equity, production efficiency, and industry-specific advantages. From this result, it is shown that customer patronage is not the sole determinant of entrepreneurial growth, as firms can generate a significant base level of earnings due to their inherent capacities. The coefficient of Sales Revenue is -0.087352 with a p-value of 0.0023, which is statistically significant at the 5% level. The coefficient's negative sign indicates that an increase in sales revenue, on average, reduces the entrepreneurial growth (earnings after tax) of listed beverage firms. In marginal terms, for every one-unit increase in customer patronage (measured by sales revenue), earnings after tax decrease by approximately 0.087 units. This effect is counterintuitive because one would normally expect higher sales to translate into higher earnings. The result may reflect the reality of rising production and distribution costs, inefficiencies in managing increased sales, or aggressive promotional strategies that raise revenue but eat into net earnings. However, the significance of the effect confirms that customer patronage exerts a measurable influence on entrepreneurial growth, but the direction of the effect is negative in the sampled firms.

The null hypothesis (H_0) states that customer patronage does not significantly affect the entrepreneurial growth of listed beverage firms in Nigeria. Table 5 shows that the coefficient of Sales Revenue (-0.087352) is

significant at 5% ($p = 0.0023$). The probability value is less than 0.05; thus, the null hypothesis is rejected. This means that customer patronage has a significant negative effect on entrepreneurial growth. The implication is that entrepreneurial growth in the Nigerian beverage sector is not simply a direct function of increased customer patronage but may depend on the efficiency with which firms convert sales revenue into net earnings after costs and taxes. Customer patronage has a negative and significant effect on the entrepreneurial growth of listed beverage firms in Nigeria ($\beta = -0.087352$; $p = 0.0023$).

4.3 Discussion of the Findings

Customer patronage, proxied by sales revenue, exerts a negative and significant effect on the entrepreneurial growth of listed beverage firms in Nigeria ($\beta = -0.087352$; $p = 0.0023$), suggesting that increased customer transactions do not necessarily translate into sustainable profitability. This outcome may be explained by the fact that beverage firms often operate under high production costs, heavy marketing expenditures, and competitive pricing pressures, which erode the margins expected from rising sales volumes. Okorozoh (2025) similarly noted that although rising production costs were significantly linked to higher sales performance, if not managed efficiently, such cost pressures may reduce overall profitability. In the same vein, while Nuseva et al. (2025) found that sales growth positively influenced profitability among Serbian manufacturing firms, their results imply that profitability gains only occur when firms successfully control leverage, liquidity, and inventory costs—a condition that might not hold in Nigeria's volatile beverage sector. In contrast, Duke and Ogunleye (2025) demonstrated that non-financial factors such as brand excitement stimulate profitability growth, suggesting that mere customer patronage without value-driven differentiation may fail to guarantee entrepreneurial expansion. Furthermore, Yusuf and Nwankwerre (2024) showed that branding exerts a significant positive effect on organizational performance, reinforcing the argument that sales volumes must be strategically aligned with strong brand and operational models to realize profitability. This divergence in evidence indicates that while customer patronage is generally expected to enhance growth, structural inefficiencies, rising costs, and competitive dynamics may be suppressing the positive financial returns of increased sales volumes in the Nigerian beverage industry.

5.0 Conclusions and Recommendations

5.1 Conclusion

The study found that customer patronage has a significant negative effect on the entrepreneurial growth of listed beverage firms in Nigeria. This negative effect implies that as sales revenue, which serves as a proxy for customer patronage, increases, earnings after tax decline marginally. Hence, patronage growth does not necessarily translate into entrepreneurial growth. This outcome highlights the structural and operational complexities of the beverage industry, where rising sales may be offset by high production costs, inefficiencies in distribution channels, or escalating expenses associated with marketing and customer acquisition. It also reflects the challenges of scale economies in an industry often exposed to volatile input prices, regulatory burdens, and competitive pressures, all of which can erode profitability despite increased customer demand. Thus, this finding implies that entrepreneurial growth in listed beverage firms is shaped not merely by the volume of customer transactions but also by the firm's ability to convert such patronage into sustainable profit margins.

5.2 Recommendations

Based on the finding that customer patronage has a negative and significant effect on entrepreneurial growth, it is recommended that listed beverage firms' management should critically review their cost structures and operational models to ensure that increased sales volumes do not erode profitability. Specifically, firms should

adopt robust cost-control mechanisms and efficiency-driven strategies that enable them to convert rising customer patronage into sustainable financial growth.

5.3 Contribution to Knowledge

This study makes a contribution to the literature by extending the discussion on customer patronage and firm performance beyond branding, sales growth, hygiene standards, operational efficiency, promotional strategies, and customer-driven models that have dominated earlier works. While Duke and Ogunleye (2025), Nuseva et al. (2025), Shonubi et al. (2025), Okorozoh (2025), Yusuf and Nwankwerre (2024), Chetty and Govender (2024), Chukwu (2023), Diyaolu et al. (2022), Okpara (2020), and Agbaeze et al. (2017) all offered valuable perspectives on profitability and performance drivers in food, beverage, and manufacturing firms, they did not directly establish how customer patronage measured through actual sales revenue influences entrepreneurial growth in listed beverage companies. By relying on audited panel data and applying econometric estimation, this study moves beyond perception-based surveys and correlation-driven approaches to provide empirical evidence on the revenue–growth nexus in the Nigerian beverage sector, filling a critical gap that earlier research had overlooked.

5.4 Limitations of the Study and Suggestions for Future Studies

This study was limited to four listed beverage firms in Nigeria because only these firms had complete and consistent financial reports. The use of secondary data from audited statements also meant that the research relied on previously published figures without direct interaction with customers or managers. The findings may not fully capture other important factors, such as consumer behavior, brand perception, or market competition, which could also affect entrepreneurial growth. In addition, the 2015–2024 time frame may not reflect long-term changes that could emerge beyond this period.

Future studies should consider expanding the scope beyond listed beverage firms to include non-listed and emerging companies in the industry, as this would provide a broader understanding of how customer patronage influences entrepreneurial growth. Researchers could also use primary data by gathering responses from customers, employees, or managers, which would provide richer details on the relationship between sales and profitability. In addition, future work could extend the study period or compare findings across different sectors of the Nigerian economy to determine whether similar patterns exist in other industries.

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Appendix A: Data presentation

Firm	Year	Sales Revenue (₦'000)	Earnings after tax (₦'000)
1 Champion Brewery	2015	3501845	77140
1 Champion Brewery	2016	3864943	530389
1 Champion Brewery	2017	4777313	517562
1 Champion Brewery	2018	4763757	-263807
1 Champion Brewery	2019	6927177	168508
1 Champion Brewery	2020	7051806	158793
1 Champion Brewery	2021	10518497	984233
1 Champion Brewery	2022	12288893	1585978
1 Champion Brewery	2023	12704274	370563
1 Champion Brewery	2024	20890735	816995
2 Guinness . Plc	2015	118495882	7794899
2 Guinness . Plc	2016	101973030	-2015886
2 Guinness . Plc	2017	125919817	1923720
2 Guinness . Plc	2018	142975792	6717605
2 Guinness . Plc	2019	131498373	5483732
2 Guinness . Plc	2020	104376015	-12578818

2 Guinness . Plc	2021	160416257	1255338
2 Guinness . Plc	2022	206822127	15651362
2 Guinness . Plc	2023	229440861	-18168041
2 Guinness . Plc	2024	299489774	-54766776
3 International Breweries	2015	23269364	1946490
3 International Breweries	2016	32711218	2652748
3 International Breweries	2017	36527807	1034357
3 International Breweries	2018	120610825	-3866298
3 International Breweries	2019	132351500	-27790666
3 International Breweries	2020	136790573	-12365082
3 International Breweries	2021	182298045	-17656510
3 International Breweries	2022	218650267	-21626290
3 International Breweries	2023	260598228	-70025910
3 International Breweries	2024	488955682	-113614900
4 Nigerian Breweries	2015	293905792	38049518
4 Nigerian Breweries	2016	313743147	28396777
4 Nigerian Breweries	2017	344562517	33009292
4 Nigerian Breweries	2018	324388500	19401169
4 Nigerian Breweries	2019	323002120	16104763
4 Nigerian Breweries	2020	337006267	7525621
4 Nigerian Breweries	2021	437195534	12927163
4 Nigerian Breweries	2022	550477627	13925086
4 Nigerian Breweries	2023	599508761	-105769222
4 Nigerian Breweries	2024	1074881526	-144338449

Source: Firms' Annual Reports, 2015-2024