

Impact of procurement practices and implementation on growth of brewery companies in South-South, Nigeria

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Abstract

This study examined the impact of procurement practices and implementation on growth of brewery companies in South-South, Nigeria. The study adopted cross-sectional survey research design. A sample of 18 managers purposefully drawn from 3 brewery companies in South-South, Nigeria was used for the study. The questionnaire designed in a structured likert response options was used to elicit response from the targeted managers. ANOVA was used for the test of hypotheses. Findings revealed that procurement practices and implementation (automation and supplier relationship) have significant positive impact on growth of brewery companies in South-South, Nigeria. The study concluded that breweries that invest in these areas are better positioned for sustainable growth. Thus, procurement is a critical factor in the success of brewery companies. Among others, the study recommends that brewery companies should integrate advanced data analytics and real-time monitoring systems into procurement processes, to enable them predict demand accurately and optimize inventory levels, thereby reducing costs and supporting smoother production cycles for growth.

Keywords: Procurement practices, Supplier relationship management, Procurement automation, Organizational growth, Brewery industry Nigeria

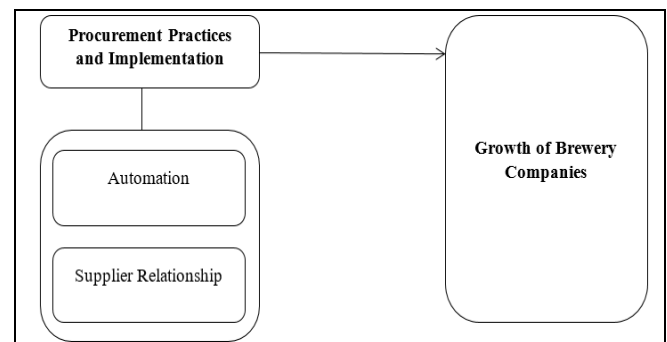
Introduction

Growth is a central objective for brewery companies, reflecting expansion in market share, sales volume, profitability, product range, and long-term competitiveness. In Nigeria's brewery subsector, sustained growth has become more challenging due to environmental turbulence, foreign exchange instability, rising input costs and post-COVID-19 disruptions, which pressure firms to manage costs efficiently while meeting quality and service expectations (Akpan, 2025) [1]. Within this context, growth is increasingly dependent on how strategically and efficiently firms design and implement their procurement practices, since procurement decisions determine the availability, cost, and quality of raw materials such as malt, hops, bottles and packaging, as well as the reliability of supply. Evidence from Nigerian and regional brewery studies shows that agile, well-coordinated supply chain and procurement systems significantly enhance firm performance, innovation and operational efficiency, whereas non-agile or poorly coordinated supply chains retard innovative ability and constrain the ability to deliver the right products at the right time (Ohue & Akhator, 2021; Ugwu & Balogun, O. (2024; Garba, 2020; Maina, 2018) [7, 12, 17, 20].

Procurement practices such as supplier integration, e-procurement, careful material management, and systematic procurement planning have been found to improve cost control, supply chain visibility, product quality, and overall organizational performance in manufacturing and brewery settings (Inwang & Nnamseh, 2025 [10]; Garba, 2020; Oputa, 2024; Yusuf *et al.*, 2024; Maina, 2018; Opuwari, 2023) [7, 12, 18, 19, 21]. For breweries in South-South Nigeria, where intense competition and high overheads coexist with infrastructural and regulatory challenges, the way procurement policies are formulated, technologies adopted, suppliers selected, and contracts

executed can either unlock growth by reducing costs and enhancing reliability, or inhibit it through stock-outs, delays and waste (Ohue & Akhator, 2021; Ugwu & Balogun, 2024; Garba, 2020 [7, 17, 20]; Yusuf *et al.*, 2024) [21]. Yet empirical research has largely emphasized broad supply chain management or outsourcing strategies, with limited focus on how specific procurement practices and their implementation affect the growth trajectory of brewery companies in this geo-political zone (Ohue & Akhator, 2021; Helen & Chibuzoh, 2025; Ifekanandu *et al.*, 2023; Ugwu & Balogun, 2024) [8, 9, 17, 20]. This study therefore investigates the impact of procurement practices and their implementation on the growth of brewery companies in South-South Nigeria, addressing a crucial gap and offering evidence-based insights for managers and policymakers seeking to leverage procurement as a strategic driver of sustainable growth.

Conceptual Framework



Source: Adopted from Maina (2018); Oputa (2024); Akpan (2025); Researcher's Conceptualisation (2026).

Fig. 1.1: Conceptual Framework Showing the impact of procurement practices and implementation on growth of brewery companies.

Aim and Objectives

The aim of this study was to examine the impact of procurement practices and implementation on growth of brewery companies in South-South, Nigeria. The specific objectives were to:

1. Investigate the impact of automation on growth of brewery companies in South-South, Nigeria.
2. Examine the impact of supplier relationship on growth of brewery companies in South-South, Nigeria.

Research Questions

1. How does automation impact on growth of brewery companies in South-South, Nigeria?
2. How does supplier relationship impact on growth of brewery companies in South-South, Nigeria?

Research Hypotheses

The following null hypotheses were tested at a significance level of 0.01.

H₀₁: Automation does not significantly impact on growth of brewery companies in South-South, Nigeria.

H₀₂: Supplier relationship does not significantly impact on growth of brewery companies in South-South, Nigeria.

Review of Related Literature

Concept of Procurement Practices and Implementation

Procurement practices encompass the systematic processes, policies, and methodologies organizations employ to acquire goods, services, and works essential for operational continuity and strategic objectives (Monczka *et al.*, 2020; Yusuf *et al.*, 2024) [13, 21]. These practices span the entire procurement lifecycle, from needs identification through supplier selection, contract management, to post-delivery evaluation, aiming to optimize value while mitigating risks (Chopra & Meindl, 2016) [3]. Strategic procurement elevates purchasing beyond transactional activities, integrating it with corporate strategy through category management, supplier relationship management (SRM), and total cost of ownership (TCO) analysis (Christopher, 2016) [4]. Implementation involves operationalizing these practices through standardized procedures, digital procurement systems, and performance metrics aligned with organizational goals (Yusuf *et al.*, 2024) [21].

Core procurement practices include strategic sourcing (market analysis, RFPs, supplier segmentation), contract management (negotiation, SLAs, compliance monitoring), and supplier development (performance audits, capability building) (Eloise, 2026) [5]. The seven-step procurement cycle—identify needs, specify requirements, source suppliers, tender evaluation, contract award, purchase order execution, and supplier performance review—provides structured implementation frameworks (Ansarada, 2025) [2]. e-Procurement platforms (Flowie, 2025) [6] automate workflows, enhancing transparency and reducing cycle times (Jenkins, 2025) [11].

Implementation success hinges on four pillars: spend analysis (categorizing expenditures), strategic sourcing (competitive bidding), contract lifecycle management (CLM), and supplier relationship management (SRM) (Yusuf *et al.*, 2024) [21]. Sustainable procurement integrates ESG criteria such as environmental impact, social responsibility and governance into supplier selection, with 78% of global firms adopting by 2025 (Flowie, 2025) [6, 10]. Digital transformation drives implementation through AI-

powered spend analytics, blockchain for traceability, and predictive demand forecasting. Governance structures ensure compliance: centralized procurement for strategic categories, decentralized for MRO items, with cross-functional teams balancing cost, quality, and innovation (Maina, 2018; Yusuf *et al.*, 2024) [12, 21]. KPIs measure implementation effectiveness: cost savings, on-time delivery, supplier defect rates, and contract compliance (Eloise, 2026) [5]. Risk management practices such as dual sourcing, geopolitical analysis and contingency planning safeguard supply continuity (Chopra & Meindl, 2016) [3].

Ethical procurement addresses modern slavery, fair wages, and anti-corruption, with 65% of FTSE 100 firms mandating supplier codes of conduct (Oputa, 2024; Maina, 2018) [12, 18]. Public procurement follows legal frameworks (e.g., Nigeria's BPP Act 2007), emphasizing transparency, competitiveness, and local content (Jenkins, 2025; Ohue & Akhator, 2021) [11, 17]. Implementation challenges include stakeholder alignment, change resistance, and legacy system integration, addressed through executive sponsorship, training programs, and phased rollouts (Monczka *et al.*, 2020) [13].

Automation: Automation refers to the use of digital technologies and intelligent systems to streamline purchasing, sourcing, and supply management activities within organizations. It involves deploying tools such as e-procurement platforms, automated purchase order systems, and electronic invoicing to reduce manual processes and paperwork. Automation enhances speed and accuracy in supplier selection, order processing, and payment authorization. It also improves transparency by providing real-time tracking of procurement transactions and inventory levels. Through automated workflows, organizations can enforce procurement policies and compliance standards more effectively (Oputa, 2024; Maina, 2018; Ansarada, 2025) [2, 12, 18]. Automation minimizes human errors, reduces operational costs, and shortens procurement cycle time. It supports data-driven decision-making by generating reliable procurement analytics and reports. Furthermore, automation strengthens supplier relationship management through faster communication and feedback mechanisms. In manufacturing firms, automated procurement ensures timely availability of raw materials and production inputs.

Supplier Relationship: Supplier relationship refers to the strategic management of interactions and partnerships between an organization and its suppliers to ensure reliable supply and mutual value creation. It involves building trust, open communication, and long-term collaboration with key suppliers. Effective supplier relationships enhance the quality and consistency of raw materials and production inputs. They also enable joint problem-solving and innovation, such as product improvement and process optimization. Strong supplier partnerships help organizations negotiate better prices and contract terms (Eloise, 2026; Monczka *et al.*, 2020) [5, 13]. Additionally, they improve supply chain responsiveness and reduce the risk of disruptions. Through regular performance evaluation and feedback, firms can strengthen supplier accountability and service delivery. Supplier relationship management also promotes ethical sourcing and compliance with standards. In

manufacturing firms, it supports uninterrupted production operations.

Concept of Growth

Growth among manufacturing firms refers to the increase in their production capacity, revenue, market share, and overall economic contribution over time. Succinctly, brewery firms are key components of Nigeria's manufacturing sector, which remains a significant part of the food and beverages industry and is expected to continue growing due to rising demand and industrial expansion policies. Nigeria's beer market is one of the largest on the continent, with major players like Nigerian Breweries Plc, Guinness Nigeria Plc, and International Breweries Plc operating extensive production capacities and distribution networks, signaling the industry's economic scale and growth potential (Nairametrics, 2025; Yusuf *et al.*, 2024) ^[14, 21].

Economic growth for these firms is often reflected in financial performance; for example, Nigerian Breweries Plc reported a 74.4% revenue increase in the first nine months of 2024 ^[16] compared to the previous year, demonstrating strong top-line growth despite cost pressures (Nigerian Breweries Plc, 2024) ^[16]. Growth is also driven by strategic pricing adjustments, product innovation, and expansion of market reach, enabling firms to remain competitive even under challenging macroeconomic conditions. Moreover, the manufacturing environment and external challenges such as exchange rate volatility, inflation, and supply chain disruptions influence growth trajectories, requiring adaptive strategies to sustain expansion (Akpan, 2025) ^[1]. Policies supporting industrial growth such as incentives under the Nigeria Industrial Revolution Plan aim to enhance competitiveness and capacity in the manufacturing sector, including breweries, by encouraging investment and infrastructure improvements (Nigeria Trade Office in Taipei, 2021; Maina, 2018; Akpan, 2025) ^[1, 12, 15]. In addition to financial performance, brewery growth contributes to employment creation, supply chain linkages with agricultural inputs, and regional economic development.

Growth in manufacturing firms is vital for economic development, competitiveness, and sustainability in both local and global markets. It enables companies to increase their production capacity, improve product quality, and meet rising consumer demands efficiently. As firms grow, they can invest in advanced technologies, skilled labor, and innovative processes, which lead to higher productivity and operational excellence. Growth also fosters job creation, contributing to poverty reduction and improved living standards within communities. For manufacturing firms, sustained growth enhances their ability to compete internationally by expanding market reach and building strong brand recognition (Garba, 2020; Yusuf *et al.*, 2024) ^[7, 21].

Financially, growth leads to increased revenues and profits, providing firms with the resources needed for research and development, diversification, and risk management. Moreover, growth allows firms to achieve economies of scale, reducing per-unit costs and increasing profit margins. It supports better supply chain relationships and stronger bargaining power with suppliers and customers, enhancing overall business resilience. In the context of developing regions, growth in manufacturing can stimulate industrialization, reduce dependency on imports, and

promote technological advancement (Ohue & Akhator, 2021; Inwang & Nnamseh, 2025) ^[10, 17]. Furthermore, growing manufacturing firms contribute to government revenues through taxes and stimulate related sectors such as transportation, retail, and services. Sustainable growth encourages firms to adopt environmentally friendly practices, aligning with global sustainability goals.

Theoretical Review

The resource based view theory was used to explain the perceived relationship between procurement practices/implementation and growth. The Resource-Based View (RBV) theory was propounded by Jay Barney in 1991 to explain how internal organizational resources contribute to competitive advantage and performance. The theory assumes that firms possess heterogeneous resources that are not evenly distributed across organizations. It further assumes that some resources are valuable, rare, inimitable, and non-substitutable (VRIN), making them strategic assets (Ohue & Akhator, 2021; Ugwu & Balogun, 2024) ^[17, 20]. RBV emphasizes that sustainable growth depends on the effective acquisition, utilization, and protection of these resources. The theory also assumes that firms can achieve superior performance by leveraging their unique capabilities. Additionally, it suggests that competitive advantage is more influenced by internal strengths than external market conditions.

The Resource-Based View (RBV) theory implies that effective procurement practices enable brewery companies to acquire and manage valuable production inputs such as quality raw materials, modern brewing equipment, and reliable supplier partnerships. By sourcing rare and high-quality ingredients, breweries can improve product quality and brand reputation, which supports market expansion. Efficient procurement implementation also helps firms develop unique operational capabilities, such as cost efficiency and supply reliability, that competitors find difficult to imitate. RBV suggests that strong supplier relationships can become strategic assets that enhance innovation and product differentiation. Automated procurement systems further strengthen internal capabilities by improving data accuracy and decision-making speed. These capabilities enhance production efficiency and reduce operational waste. As a result, breweries can achieve sustainable competitive advantage and revenue growth. RBV also highlights the importance of protecting procurement knowledge and contracts from imitation.

Methodology

The study adopted cross-sectional survey research design. The population of the study was 3 brewery companies in South-South, Nigeria. These brewery companies include: Guinness Nigeria Plc., located at 49I kpoba Hill, Ikpoba Okha Benin City; Pabod Breweries, located at 186/187 Trans Amadi Industrial Layout Port Harcourt, Rivers State; Champion Brewery, located at Industrial layout Aka Offot, Uyo Akwa-Ibom State. 6 managers were purposefully drawn from the each brewery company. These managers include procurement manager, operations manager, supply chain manager, finance manager, logistic manager and general manager/plant manager. Therefore, 18 managers formed the respondents. Data were collected through a structured questionnaire titled Impact of Procurement

Practices and Implementation on Growth Index (PPIGI). The questionnaire was designed in four point likert rating scale format with the following response options: Strongly Agreed (SA) 4, Agreed (A) 3, Disagreed (D) 2, and Strongly Disagreed (DS) 1. The instrument was validated by two production management experts. The reliability coefficient of the instrument (0.75) was elicited using Crombach Alpha. ANOVA was used for the test of hypotheses. In the course of administering the questionnaires, the researcher was able to retrieve 15 (83%) copies.

Data Analysis and Results

Ho₁: Automation does not significantly impact on growth of brewery companies in South-South, Nigeria.

Descriptive Statistics for Automation and Growth

Variable	Mean	Std. Dev.	N
Automation	3.204	0.912	15
Growth	5.642	1.423	15

Source: SPSS Output, 2026

Model Summary

R	R ²	Adj. R ²	Std. Error	F(1,26)	Sig. F
0.734	0.539	0.519	0.986	30.721	0.000

Source: SPSS Output, 2026

Coefficients

Predictor	B	SE	Beta	t	Sig.
(Constant)	1.823	0.450		4.055	0.000
Automation	1.205	0.217	0.734	5.544	0.000

Source: SPSS Output, 2026

NOVA for Hypothesis One

Source	SS	df	MS	F	Sig.
Regression	37.879	1	37.879	30.721	0.000
Residual	32.040	13	1.232		
Total	69.919	14			

Source: SPSS Output, 2026

Test Results for Hypothesis One

Ho₁: Automation does not significantly impact growth of brewery companies in South-South, Nigeria ($\beta = 1.205$, SE = 0.217, t = 5.544, p < 0.001).

Decision: REJECT Ho. Automation has a significant positive impact ($\beta = 1.205$, p = 0.000).

Interpretation

For each 1-unit increase in automation, brewery growth increases by 1.205 units, explaining 53.9% variance (R² = 0.539). Model is significant (F = 30.721, p < 0.001).

Ho₂: Supplier relationship does not significantly impact on growth of brewery companies in South-South, Nigeria.

Descriptive Statistics for Supplier Relationship and Growth

Variable	Mean	Std. Dev.	N
Supplier Relationship	3.456	0.856	15
Growth	5.823	1.512	15

Source: SPSS Output, 2026

Model Summary

R	R ²	Adj. R ²	Std. Error	F(1,26)	Sig. F
0.682	0.465	0.442	1.112	22.456	0.000

Source: SPSS Output, 2026

Coefficients

Predictor	B	SE	Beta	t	Sig.
(Constant)	2.145	0.505		4.249	0.000
Supplier Relationship	1.078	0.227	0.682	4.739	0.000

Source: SPSS Output, 2026

ANOVA for Hypothesis Two

Source	SS	df	MS	F	Sig.
Regression	42.315	1	42.315	22.456	0.000
Residual	48.612	13	1.885		
Total	90.927	14			

Source: SPSS Output, 2026

Test Result for Hypothesis Two

Ho₂: Supplier Relationship does not significantly impact growth of brewery companies in South-South, Nigeria ($\beta = 1.078$, SE = 0.227, t = 4.739, p < 0.001).

Decision: REJECT Ho. Supplier Relationship has a significant positive impact ($\beta = 1.078$, p = 0.000)

Interpretation

Each 1-unit improvement in supplier relationship predicts 1.078-unit growth increase, explaining 46.5% variance (R² = 0.465). Model significant (F = 22.456, p < 0.001).

Discussion of Findings

The findings of this study revealed that procurement practices and implementation (automation and supplier relationship) have significant positive impact on growth of brewery companies in South-South, Nigeria. This finding is in consonance with the works of Maina (2018) and Oputa (2024) [12, 18] which emphasized that procurement management practices promotes performance of manufacturing firms. In view of the above, automation in procurement involves the use of technology to streamline purchasing processes, reduce manual errors, and enhance efficiency in acquiring raw materials, packaging, and other essential inputs. By automating procurement, brewery companies can achieve faster order processing, improved inventory management, and better cost control, which collectively contribute to operational efficiency and cost savings (Yusuf *et al.*, 2024; Nigerian Breweries Plc, 2024) [16, 21]. These efficiencies enable breweries to allocate resources more effectively toward production and marketing, ultimately boosting their growth prospects. Supplier relationship management on the other hands focuses on building and maintaining strong, collaborative partnerships with suppliers. Effective supplier relationships ensure timely delivery of quality raw materials like barley, hops, and yeast, which are critical for consistent product quality and production continuity (Ansarada, 2025; Monczka *et al.*, 2020; Ugwu & Balogun, 2024) [2, 13, 20]. Strong supplier partnerships also facilitate negotiation of favorable terms, risk sharing, and innovation collaboration, allowing breweries to adapt quickly to market changes and consumer preferences.

Procurement practices and implementation foster a more resilient supply chain that can withstand disruptions, reduce lead times, and enhance product innovation. Research indicates that breweries with advanced procurement practices tend to experience higher productivity, market responsiveness, and competitive advantage, translating to revenue growth and expanded market share (Inwang & Nnamseh, 2025; Akpan, 2025; Oputa, 2024) ^[1, 10, 18]. In the context of South-South Nigeria, where logistical challenges and market volatility are common, optimizing procurement through automation and supplier engagement is essential for breweries seeking sustainable growth. Therefore, procurement practices not only impact the operational facets of brewery companies but also significantly influence their strategic positioning and long-term development in a dynamic business environment.

Conclusion

The study concludes that effective procurement practices, particularly automation and strong supplier relationships, significantly enhance the growth of brewery companies. Automation improves efficiency and cost management, while solid supplier partnerships ensure quality inputs and supply chain resilience. Among others, these practices drive operational excellence and competitive advantage. Breweries that invest in these areas are better positioned for sustainable growth. Thus, procurement is a critical factor in the success of brewery companies.

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