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New Product Planning and Marketing Performance of Breweries in South-South and South-East of Nigeria

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Abstract: *The study investigated the relationship between new product planning and marketing performance of breweries in South-South and South-East of Nigeria. The survey research design was adopted. The population for this study comprised all the brewery firms in South-South and South-East of Nigeria, which amounted to seven (7). The managing directors and the managers as well as their assistants in the production, marketing, customer care, R & D, and logistics/distribution departments in the seven breweries were used as the sample for the study. The managing directors as well as the managers in these five (5) departments together with their assistants in the seven breweries, which amounted to seventy seven (77), constitute the sample size for the study. The sample size therefore was seventy seven (77). Data were obtained through the questionnaire and analysed using Spearman Rank Order Correlation Coefficient with the aid of SPSS (22.0). The findings in this study revealed that there is a positive and significant relationship between new product planning and marketing performance. It shows that when plans are made on the nature and extension of product line (s) for instance, customers will be able to choose from the brands instead of looking at competitor's products. Based on the above, organizations were advised to pay a closer attention to the nature of plans to be executed before and during the introduction of new products.*

Keywords: *New Product Planning, Marketing Performance, customer satisfaction, customer loyalty*

INTRODUCTION

We are living in a world that is no longer facing a shortage of goods but a shortage of customers (Kotler 2000). This has drawn marketers attention to the importance of paying full attention to the products being produced. Surviving and remaining competitive in today's hyper-competitive marketplace require organizations paying full attention to their offerings. Because of the increase rate of change in the environment and globalization of economics, companies are seen to have given attention to the introduction of new products and the modification of existing ones. This is because single product lacks the needed attributes that customers seek and as a result they are no longer attracted to them, this in turn decreases revenue. For instance, in 2014, Guinness Nigeria Plc introduced Origin Bitters, in 2015 they came up with origin spirit mixed drink, and in 2016 Origin zero was introduced. All this is geared towards satisfying customers better than competitors so as to improve marketing performance.

The role of the product is pivotal in every organization because organizations are known for the products they offer. Before a company can be registered, the type of operation and line of business is expected to be properly articulated. Thus the survival and success of every organization depends on the type of product(s) it offers. As competition heightens in the business world where every organization want to stand out and be heard, organizations are striving to come up with new products that will better satisfy or meet the needs of consumers out there. This is the reason an effective planning for a new product is required. Knowing what to produce, how to produce, for whom, when and where are some of the issues that comes to the fore in new product development process.

The brewery industry in Nigeria is among the fastest growing sectors of the manufacturing industry despite bashings that come from various religions and economic recession in the country. In a bid to meet the expectations of customers, the industry is saturated with different categories of products springing up every day so that the less affluent consumers who have a limited disposable income can purchase the cheaper brands. This made competition severe in the industry and the result is an era of mergers and acquisition which improved corporate performance as observed by Nwokah, et al (2009). Despite this, most firms in the industry still do not perform optimally. The managing director of Nigerian Breweries Plc, Michael Herkemil spoke to the Daily Sun in 2010 and confirmed that their challenge is customer satisfaction, this is very important since customer satisfaction is the key to a significant performance. Also, speaking to ThisDay newspaper in 2016, Egene gave a node that most firms in the industry have experienced a negative performance. Pabod brewery in Port Harcourt can be used as an example, despite its resuscitation; it is yet to leave up to expectation. The products of this company especially its grand beer brand has not really catch the fancy of their market, only its grand malt brand has managed to stay afloat in the market in Port Harcourt.

Inadequate or badly drawn plans that accompany the introduction of new products could be a reason why some firms in the industry are experiencing a draw back in their performance. Ezirim (2006) opined that a well- tailored plan of organization's product(s) is paramount to the prosperity of the organization, since the century is faced with rapidly changing technologies, shorter product life cycles and global competition that is ever increasing. Given the above situation discussed, it behoved on the researcher to investigate whether New Product Planning has affected Marketing Performance. The problem was addressed by studying breweries in South-South and South-East of Nigeria

LITERATURE RVIEW

Theoretical Foundation

Boston Matrix

In 1970, Bruce Henderson developed this model for Boston consulting group; it can also be called the BCG Matrix or Boston Box. The need for the analyses of business units or product lines, prompted him to develop this model.

The people responsible for products and strategies management often times look at their products and how they are positioned in the market and then make decisions on how to allocate resources to each of them using this model. The BCG matrix is used to analyse product portfolio performance, it shows products performance in terms of sales growth and market share index (Didia, 2004).The model is divided into four cells that represent four products with different characteristics based on market shares as well as market growth.

Stars: Products that fall in this category are those that are relatively new with a high market share as well as high market growth. Here products have rapid acceptance and more or less self-financing.

Question Marks: These products are in a high growth market with a low market share in order to attain dominance in its growth market, an amount of cash that is substantial is required.

Cash Cows: Products here are in a low growth market with a high market share, these products generate cash that will be enough to finance other.

Dogs: These products are in a low growth market with a low market share; they are near the end of life cycle and represent a cash drain to the organization.

The BCG model for instance is used as a guide for the application of strategies for newly introduced products and also strategies on how to use the resources obtained from a product or set of products, to finance another product or the modification of another product. In terms of modification, this model also helps in arming managers with the right decisions to take. This is done so as to enable the product (s) not to merely survive in the marketplace, but to also generate a substantial amount of cash.

Concept of New Product Planning

Products do not come into existence by miracle or magic. In a bid to satisfy the needs of individuals at a profit, companies engage in productive and feasible plans that brings offerings into existence. According to Onuoha & Anyanwu (1999), "product planning is concerned with the arrangement, mixing and pricing of both existing and new products to meet the firms present and future market requirement and competition and to maintain a viable product for the firm". New product planning can be said to be the estimate of the magnitude of potential markets, estimates of sales volume, budgeting of costs and other matters relating to the economics of making a new product (Maclayton & Nwokah, 2002). New product planning comprises activities responsible for making decisions on a product to be developed by an organization so as to match the wants and needs of customers. It is the process that converts an idea into a successful commercial product.

According to Beckham (1967) "product planning is concerned with the estimates of the magnitude of potential market, sales volume, budgeting and costs, and other matters relating to the economics of modifying a product line. Product planning is thus more than planning for the shape, colour or texture of the product but equally includes an estimate of the customers that may likely get their needs met by the product(s), an estimate of the volume of sales that will be made after the launch of the products, estimate of the cost of developing that product etc. For Stanton (1981) product planning is "embracing activities that enable a company to determine what products it will market". He said product planning embraced all the activities that border on which product should the firm make, should the company market more or fewer products?, what new uses are there for the product?, what brand, package and label should be used for each product?, how should the product be styled and designed, and in what sizes, colours and materials should it be produced?, how should the products be priced? Stanton (1981).

New product planning is also the evaluation of the range, mix, specification and pricing of new product in relation to present and future market requirements and competition. It is evident that new product planning entails the assessment of new products with a view to maintaining a balance that will create better competitive values for the ultimate consummation of corporate goal (The National Economic Development Office, 1940).

Concept of Marketing Performance

Marketing performance is marketing's result or output compared against the set objectives. Sivadas & Dwyer. (2000) explained that measuring performance has been a central issue in marketing, and remains a vital concern for a majority of organizations. The marketing science institutes research priorities for 2002-2004 also confirmed this when 'Assessing Marketing Productivity and Marketing Metrics' was voted as the highest topic for academic study. Recently managers as well as academics have both been drawn to the topic with an urgency and scope previously unpredicted. According to Garvin (1987), the reason the measurement of performance suddenly captured an attention is because, information relating to marketing has been increasingly demanded, after a decade of downsizing, major organizations were reaching the points of diminishing returns which have led to a refocusing on marketing as a driver of future profit and growth, thirdly, a measure of business performance such as the balance scorecard has made the inclusion of marketing measures attractive in the overall assessment of business performance. Finally, marketing managers have become frustrated with other performance measures with little or no value on what they do.

Business performance measurement is receiving active investigation from both practitioners and academics, the attention given to it has made new reports and articles on the topic to appear at a rate of one every five hours of every working day since 1994, with a search of the World Wide Web revealing over 170,000 references (Tellis & Johnson, 2007). Sheremata (2004) expressed that at one level, it may be as simple as its definition, although at another level the notion of a general level of performance is both intriguing yet continually disappointing. Performance is the aggregation of basic stages of action, from intention to result. It will be of no use engaging in marketing activities that cannot be measured; this is because those activities will not yield efficient result. If you can't measure you can't control, if you can't control you can't manage, if you can't manage you can't improve and be efficient.
Analysing the performance of marketing strategies should make clear and give an understanding of how marketing decisions influence financial results and their consequences on the firm cash flow. This level requires a marketing strategy analysis models that are more complex than the simple input-output analyses.

Customer Satisfaction

Customer satisfaction has been a popular topic in marketing practice and academic research since Cardozo's (1965) initial study of customer effort expectations and satisfaction. Customer satisfaction is regarded as the head of all marketing activities. According to Dutka, (1994), the principal purpose of marketing is to satisfy customer needs and wants. Satisfying customers is essential because satisfied customer will reward firm with favourable behaviour. It's found that enhancing customer satisfaction bring about a higher future profitability (Anderson et al, (1994), increase consumer willingness to pay a higher price, make a good accommodation and use the product frequently (Hayes, 2008) and develop customer loyalty (Salini, and Kenett, 2009). All these points to the fact that customers satisfaction play a significant role in generating long term benefits for companies (Homburg et al, 2006)

There are many attempts on the definition and the clarification of what customer satisfaction is in marketing literature. Oliver (1977) defines customer satisfaction as “the customer fulfilment response”. It is a judgement that a product feature or the product provided (or is providing) a pleasurable level of consumption related fulfilment. This could either be under or over fulfilment. According to Hung (1977), satisfaction is a kind of stepping away from an experience and evaluating it. One could have a pleasurable experience that caused dissatisfaction because even though it was pleasurable, it wasn’t as pleasurable as it was supposed to be. So satisfaction / dissatisfaction isn’t an emotion, it’s the evaluation of the emotion. Woodruff and Gandiar (1996) rendered satisfaction to be the evaluation or feeling that results from the disconfirmation process. It is not the comparison itself (i.e. the disconfirmation process), but the customers response to the comparison. Customer satisfaction is also seen as an emotional response to the experiences provided by associating with particular product purchasers, retail outlet, or even molar patterns of behaviour such as shopping and buying behaviour and also the overall market place (Westbrook and Reilly, 1983).

According to Oliver (1981), “Customer Satisfaction is the summary of psychological state resulting when the emotion surrounding disconfirmed expectations is coupled with the consumers’ prior feelings about the consumption experience”. Customer satisfaction is the satisfactory post-purchase experience with a product, given an existing purchase expectation (Vavra, 1997). It is also said to be the buyer’s cognitive state of being adequately rewarded for the sacrifices he has undergone (Howard and Sheth, 1969).

Tse and Witon (1988) defined it as “the consumer’s response to the evaluation of the perceived discrepancy between prior and expectations and the actual performance of the product as perceived after its consumption. Berry and Parasuram argued that since customer satisfaction is influenced by the availability of customer services, the provision of quality customer service has become a major concern of all businesses. They see customer satisfaction as typically a post consumption evaluative judgement concerning a specific product or service. It is the result of an evaluative process that contrasts pre-purchase expectations with perceptions of performance during and after the consumption experience.

Customer Loyalty

Firms were merely focused on innovation and the triggering of new marketing philosophies, methods and information that will leave customers with no choice than to buy its products. But today customers no longer attach much importance to information (Jacoby & Chesnut, 1978). this is so because all information needed concerning a product is at their fingertips. Their interest now is on products benefits and practical features. Contemporary marketing practitioners, no longer concentrate solely on attracting new customers but also keeping those they have acquired because of the numerous gains of customer retention. According to Mitchell & Tomo (2005) Successful firms consciously create customer satisfaction and loyalty.

According to Hammond et al (1996), loyalty is a customer's inclination to re-buy a particular brand through actions which is measurable and significantly affect sales. Oliver (1999) sees it as a profoundly accommodated steadfastness, to repurchase the product frequently in the future, by that giving rise to repetitions identical brand or identical brand-set buying, notwithstanding environmental influences and switching behaviour. On the other hand Jones and Sesser (1995), sees it as a "sentiment of the fidelity to or fondness for a firm's people or products. Scholars have different opinions as to how loyalty should be measured. According to Pine et al (1995) loyalty should be measured by using "re-buys dynamics and recommendations", but schiffman (1997) argued that “loyalty is not an attitudinal function and thus, should be measured through a purchase parameter so as to include cognitive captured consumer and habitual purchases among others.

New Product Planning and Marketing Performance

Several studies (Moon et al, 2010; Baush et al, 2011; Schiffman and Kanuk, 2001; Kauffman, 2007; Nwokah and Maclayton, 2002) showed the association between new product planning and marketing performance. According to Didia (2004) "Business organization venturing is justified by the provision of goods and services capable of satisfying the predetermined needs and wants of a defined group of consumers". But these products do not come into existence in the market as either magic or miracle, rather some procedures and processes are folowed to bring them into existence Kauffman, E.M.(2007). Kauffman, (2007) explained that "products are planned and developed by the organization that wants them for profits and to satisfy the consumer needs. In other words, for a product to satisfy customer needs and bring about profitability, it must be planned before development. This makes clear the significant association between new product planning and marketing performance. Going further, they assert that the reason new products fail is because of the inability of the concerned firms and their market teams to organize good market research to determine what the consumers want in the first place before going into product production. Market research is known to be part of a new products planning process (Nwokah and Maclayton, 2002).

Nwokah (2002) found out that "product planning is concerned with estimates of the magnitude of potential markets, estimates of sale volume, budgeting of costs, and other matters relating to the economics of developing a new product or modifying a product line”. And also that new product planning and development bring about greater profitability through increased customer needs and satisfaction. He went further to say that new product planning activities assures a firm that it will have a balanced assortment of goods to meet the anticipated needs of the marketplace. New product planning is without a doubt, a vital bridge between the economic and technological capabilities of the firm. New product planning thus, bring about an increase in market share (Nwokah and Maclayton, 2002), profitability (Schumpeter,1939) and also increases demand (Brown W 1957).

METHODOLOGY

This study adopted a survey research design. The population of the study comprised the seven (7) brewery firms in the South - South and South – East of Nigeria as reported by Nigerian stock exchange, 2017. The seven (7) breweries in the South-South and South East Nigeria were considered since they are below thirty (30). The managing directors in these companies and the managers as well as their assistants in the production, marketing, customer care, R & D, and logistics/distribution departments of each company were chosen as the target population, because they were in the right position to supply the relevant data for the study. The managing director of each company and two managers each from production, marketing, customer care, R & D, and logistics/distribution of the seven companies were selected as the sample size for the study. The total number of respondents in each company therefore amounted to eleven (11). Since there are seven companies, the total numbers of the respondents amounted to seventy seven (77). Therefore, the sample size for the study was seventy seven (77).

This study adopted the questionnaire as its basic research instrument. This helped in translating the research objectives in specific questions, which respondents easily answered. Valid information, were thus given. The questionnaire was divided into two (2) sections. The first section was used to get demographic data while the other section was used to get responses that are related to the research questions. Copies of questionnaires were distributed by the researcher to individuals within the firms and collected on the spot, so as to reduce loss. Data will be collected from individuals within the firm.

The nature of relationship that exists between new product planning and marketing performance was x-rayed. To understand this, descriptive statistics such as frequency percentage, mean and standard deviation were used to analyse the data and Spearman Rank Order correlation coefficient with the aid of SPSS version 22.0 was used to test the hypotheses of the study. In order to test how valid the questionnaire was as regards measuring what it is supposed to measure, it was subjected to content validity. It was also subjected to professional scrutiny. A test-re-test method was adopted to know if there is consistency of the instruments. The reliability of the items measured using the Cronbach Alpha tool had high values (≥ 0.7). This showed the consistency in the response gotten from respondents. The reliability of the instrument used was also revealed.

Questionnaire Response

Questionnaire	Number	Percentage (%)
Distributed	77	100
Not Retrieval	5	6.5
Retrieval	72	93.5

Source: Field Survey (2017)

From the sixty (60) questionnaires distributed, fifty four (54) representing 90% were returned, valid and used for the analysis, while six (6) representing 10% were not returned.

Relationship between New product Planning and Customer Satisfaction

Table 2; Correlation Analysis showing the relationship between new product planning and customer satisfaction

Correlations

Type	Variables 1	Statistics	New Product planning	Customer Satisfaction

Spearman's rho	New product planning	Correlation Coefficient	1.000	.818**
		Sig. (2-tailed)		. 000
		N	72	72
	Customer Satisfaction	Correlation Coefficient	. 818**	1.000
		Sig. (2-tailed)	.000	
		N	72	72

Source: SPSS V. 22.0 printout (based on field 2017).

Table 2 shows that Spearman's correlation coefficient (r) = .818**, this value is high, implying that a strong relationship exist between New product planning and Customer satisfaction. The positive sign of the correlation coefficient means a positive relationship exist between both variables. That means an increase in New product planning is accompanied with an increase in customer satisfaction. Probability/significant value (PV) is 0.000 < 0.05 level of significance, consequently, the researcher rejects the null hypothesis and concludes that there is a significant relationship between New Product planning and Customer satisfaction.

Relationship between New product Planning and Customer Loyalty

Table 3; Correlation Analysis showing the relationship between new product planning and customer loyalty.

Correlations

Type	Variables 1	Statistics	New Product planning	Customer Loyalty
Spearman's rho	New product Planning	Correlation Coefficient	1.000	.631**
		Sig. (2-tailed)		. 000
		N	72	72
	Customer Loyalty	Correlation Coefficient	. 631**	1.000
		Sig. (2-tailed)	.000	
		N	72	72

Source: SPSS V. 22.0 printout (based on field 2017).

Table 3 shows that Spearman's correlation coefficient (r) = .722**, this value imply a strong relationship exist between New product planning and customer loyalty. The positive sign of the correlation coefficient means a positive relationship exist between both variables. That means an increase in New product planning is accompanied with an increase in customer loyalty. Probability/significant value (PV) is 0.000 < 0.05 level of significance, consequently, the researcher rejects the null hypothesis and concludes that there is a significant relationship between New Product planning and Customer loyalty.

Discussion of Findings

From the study, it was found that there is a positive and significant relationship between new product planning and marketing performance. A proper plan on the type of product to develop or modify bring about customer satisfaction. In 1990 forinstance, Guinness Nigeria Plc introduced Malta Guinness, and then in 2012 the one with low sugar was introduced so as to meet the needs of customers low sugar need. This also enabled the company to share in the sales of competitors with low sugar drinks. Product planning defines industrial activities and corporate success or failure (Didia,2004). According to Nwokah (2002), "new product planning and development brings greater profitability through increased customer needs and satisfactions.

It was also found that there is a positive and significant relationship between new product planning and customer loyalty. When plans are made concerning the extension of product lines for instance, customers will be able to choose from the brands instead of looking at competitor's products. Line extension makes a brand lively and attractive to the point that it is capable of making customers loyal (Verma (2000).

Conclusion and Recommendation

It was concluded that there is a positive and significant relationship between new product planning and customer satisfaction, and between new product planning and customer loyalty. It is therefore recommended that companies be alert to its responsibilities in drawing and addressing their production planning agenda. Also, companies should not just innovate because others are doing so, a proper planning for a new product should be incorporated, so as to make improvement in their marketing performance.

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