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New Product Quality 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 quality 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 quality 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 attention to how customers evaluate and perceive quality attributes so as to focus on the attributes considered more important by customers in order to improve them.*

INTRODUCTION

Venturing into business is justified by the provision of offerings that are capable of satisfying the needs and wants of a defined group of customers. Today, organization's operations and productivity has been revolutionized by quality management. The results of applying quality is seen all around us, in manufacturing industries, oil companies, banks, and even service organizations. Organizations that adopt quality as a way of life end up being more successful than those that do not incorporate quality in their system. Because of the increase in the level of competition among organizations, rapid innovations have emerged in the modern society. Organizations will have an advantage in the face of competition when creativity is searched for in the future, since there is a change in trend from seller's market to buyer's market. Consumers are now more aware of the variety of products in the market, and this has made companies to focus on the customer when manufacturing products. Organizations on this note have to study the customer's needs and how to satisfy them. According to Adam & Foster (2000) quality of goods is determined by customers. Customers have become a key factor that can create competition among organizations and this enable firms to sustain their competitive advantage.

Poor quality products in most cases result in the gathering of customers who don't end up being loyal. In some cases, even the ones that are loyal to existing brands will be discouraged. If products are not of the required specification, it could make them uncompetitive and the resources spent will be a waste. Apart from this, the organization's corporate image is also affected negatively. Despite this knowledge, some organizations pay little or no attention on the quality of products they introduce. It is on this note that this study sought to find out the impact of new product quality on customer loyalty of Brewery firms in Port-Harcourt metropolis.

LITERATURE RVIEW

Theoretical Foundation

Theory of Attractive Quality-Kano Model

This theory as developed by Kano in the 1980s. It was aimed to better understand how customers evolve, evaluate and perceive quality attributes so as to focus on the attributes considered more important by customers in order to improve them. Kano model exposed how the differences that demarcate the degree called sufficient by that of excellent when customer's satisfaction is considered. It considers that quality attributes are dynamic, meaning that over time, a feature may change from satisfactory to unsatisfactory. It is evident that the application of Kano model is important for designing products and services, analyzing the characteristics of the product / service, continuous improvement of quality, manufacturing / delivering of services, and determining customer satisfaction.

The model reveals that in the mind of the consumer, satisfaction and dissatisfaction are two independent concepts and should be considered separately. It shows that the relationship between performance of a need and satisfaction or dissatisfaction as experience is not necessarily linear. So there should be analysis on the possibilities of improving the quality of products and services, because it takes into account the nonlinear relationship between performance and satisfaction.

Concept of New Product Quality

A new product quality is the ability to demonstrate a new product in its fit. it includes the overall durability, reliability, accuracy, ease of operation and repair. This makes it open that customers tend to see a product that is lacking one or two of the above characteristics as being of lesser quality when compared to the one that has got all of them. In the 1970s and early 1980s, one of the major feature of an industrial economy was the increased emphasis on internal quality of execution, rather than price, as a major competition tool. The issue of product quality has been studied by many scholars (Lee & O'Connor, 2003; Kohli,1999; Kartz & Shapiro, 1992; Mitra & Golder; Teas & Agarwal 2000).

The management of a new product in a way that will prolong its uniqueness, profitability, as well as long life span in the market place should put into consideration the aspect of its quality. This is necessary since consumers in most cases make their choices of purchase on the grounds of product quality. This is supported by Matsa, (2009) when he said "The choice of what product to purchase in most consumer markets is not majorly determined by the lowers of price, a product quality could be a determining factor. New product quality is the comprehensive evaluation of the goodness of the performance of a new good or service (Choi & Pucik). Calanton & Knight

(2000) also commented on this by saying “quality products are those that fit and free from defects. It is seen that winning companies improves at a faster rate that is faster than that of their competitors”. They make use of every available opportunity to make their consumers happy by improving on the quality of their offerings faster. According to Farrel & Saloner (1985), the best thing you should do is to make your customers so happy that they begin to brag about your products to others.

New product quality can be said to be the group of features, characteristics of a released innovation which determine its durability and which can be controlled by a manufacturer to meet certain basic requirement. According to Didia (2004) “innovations are not failure proofs. Hence, the development of new product should be done strictly with carefulness and attention to every necessary detail to ensure that all possible errors are detected and corrected so as to ensure the right quality upon launching. This boils down to the fact that being the first to innovate is not the ultimate, but the innovation of quality product is what gives a company a competitive edge. Henard & Szymanski (2001) expressed that “concentrating on speed for its own sake may lock the company into feverishly developing more and more products, faster and faster, with less yield and less relevance to the market place.

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 Quality and Marketing Performance

The significance of quality and quality control has been studied by several scholars. Kotler, Amstrong,(2010), Eliashberg & Robetson (1988), Curkovic, Vickery & Droge (2000), Singh et al, (2012), Sivadas & Dwyer (2000), Singh et al, (2012), Tellis, Yin, & Nivas (2009), Kordupelski, Rust & Zahorik (1993), Deming (2000) etc have all undertaken studies on product quality and quality control. These studies indicate the association between new product quality and marketing performance. Organizations exist on the base of the offerings they offer and the willingness of customers to patronize those offerings (Didia 2004). This is where the role of quality comes in because the performance of a firm can only be attributed to the delirious of its customers.

According to Zeithaml (1988). "The choice of what product to purchase in most consumer markets is not majorly determined by the lowers of price, a product quality could be a determining factor". Kotler supports this when he said marketing is not the art of finding clever ways to dispose of what you make, it is the art of creating genuine customer value and this value comes in the present of a quality products. He went further to say that there is only one winning strategy; it is carefully defining the target market and directing a superior offering to that target market. New product quality is very important in marketing performance this is so because it is known that first impression matters. A newly launched product that lacks quality will go nowhere before it gets to its decline stage. People that purchase the product at the time of introduction will lose interest in it and might not re purchase the product again. They will also discourage people close to them because of their dissatisfaction (Creusen & Schoonmans, 2005). Armstrong and kotler (2004) opined that a new product quality is the ability to demonstrate a new product in its function. it includes the overall durability, reliability, accuracy ease of operation and repair.

Also chatina and Andy (2003) opined that it is only when a customer is satisfied with the offering of a company with regards to quality that they are willing to patronize such a product again. Huang Soutar & Brown (2004) analyzed the relationship between new product quality and marketing performance, they found out that quality have a positive and significant association on marketing performance. Breweries like Guinness Pabod and Nigeria breweries all have a taste of positive performances as a result of introducing quality products. Guinness product has won grand gold, gold and silver medals at the world module selection competition. Also, they were awarded the international quality trophy for high quality beer (Guinness Nigeria 2016)

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 quality 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 Quality and Customer Satisfaction

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

Correlations

Type	Variables 1	Statistics	New Product quality	Customer Satisfaction
Spearman's rho	New product Quality	Correlation Coefficient	1.000	.719**
		Sig. (2-tailed)		. 000
		N	72	72
	Customer Satisfaction	Correlation Coefficient	. 719**	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) = .719**, this value is high, implying that a strong relationship exist between New product quality 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 quality 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 quality and Customer satisfaction.

Relationship between New product Quality and Customer Loyalty

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

Correlations

Type	Variables 1	Statistics	New Product quality	Customer Loyalty
Spearman's rho	New product quality	Correlation Coefficient	1.000	.632**
		Sig. (2-tailed)		. 000
		N	72	72
	Customer Loyalty	Correlation Coefficient	. 632**	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) = .632**, this value imply a strong relationship exist between New product quality 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 quality 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 Quality and Customer loyalty.

Study Findings

It was found that there is a positive and significant relationship between new product quality and customer satisfaction. This is supported by Eliashberg & Robetson (1988), when they said customer satisfaction is the degree to which product performance matches the expectation of customers. Quality without a doubt remains a critical factor in customer satisfaction (Curkovic, Vickery & Droge (2000).

After a purchase, It was seen that a product that lacks quality might not be re-purchased. with this, it will b difficult to maintain loyal customers. According to Tellis, Yin, & Nivas (2009), one of the most effective ways of generating customer loyalty is by delivering superior value via quality product. Also Sivadass & Dyer (2000) observed that the loyalty of customers will be higher when there is a strong perception in a product's performance. Introducing a quality product is one of the ways companies build trust for their other products that has been in existence.

Conclusion and Recommendation

It was concluded that there is a positive and significant relationship between new product quality 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 innovating. Quality consideration should be inculcated in company's system so as to make improvement in their marketing performance.

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