

Maheu Beverage Product Innovations In Zimbabwe: Could This Be An Area Where Disruptive Product Innovations Have Succeeded?

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Abstract: *The study sought to unravel how companies which used to produce soft drinks and other ready-to-drink beverages were affected by the innovations in maheu formulations. This research paper aimed at analyzing and reviewing how product innovations shaped the beverages sector and whether this might be perceived as disruptive innovations. The study used the interpretivism paradigm with the research being mainly qualitative. A purposeful sample of 5 managers from the beverage manufacturing companies and 3 managers from the major beverage retailers was taken. Qualitative data on how managers perceived and managed to launch such products against established market players and brands in the beverages sector were collected. It was found out that maheu, a traditional ready to drink formulation has taken over the beverages market that used to be a preserve of multinationals. Some leading beverage manufacturing companies 'self-attacked' their own western beverage plants through introducing the maheu brands. The maheu products based on small grains such as sorghum, millet and rapoko were deemed to be a disruptive product innovation to take effect in Zimbabwe. This has coincided with customers becoming more health conscious and shunning some 'direct-sugar' based formulations. The other perception from respondents was that maheu was a retro branding of a product which existed long back in the traditional Zimbabwe and other African nations. All relevant concepts and resulting relationships were interconnected to form a model for disruptive innovations.*

Keywords: *product, disruptive innovation, paradigm innovations, traditional formulations*

I. Introduction

In recent past, writers in innovation and change have focused more on the technological innovations and their impact on business models (Tidd et al, 2001). However, the attention given to innovations in the food sector by mainstream writers has been sparse and diffuse. This has left a gap on the need to view innovations from other perspectives such as food product development. Since time immemorial, the indigenous people of the present day Zimbabwe have been formulating a startling variety of beverages. Such formulations tended to be spread across the ethnic boundaries and regions. The most prominent beverage formulations included ngome, chokovani, njemani, kachasu, chikokiana, umqombothi, maheu, marula juice (umhluzi-mukumbi), and matamba juice. These beverages were taken in for recreation and entertainment, work and as part of everyday meals and some for traditional celebrations. These beverages have been highly entrenched in the local cultures. Though women, young adults and children were discouraged from taking the strong alcohol-based drinks, the society enculturated them to drink similar non-alcoholic opaque beverages like maheu. All age groups and classes of people were able to share maheu.

The coming in of White Missionaries and the Coke

Christianity was initially positioned by the Missionaries as anti –alcohol, since the people need to get drunk by the Holy Spirit. The missionaries faced some resistance in dissuading people from drinking alcoholic beverages. Even to this day, these beverages are associated with real life and culture of the people. Much preaching was done against alcohol such that any formulations which were non-alcoholic were openly embraced. Coca Cola started to advertise their formulations as modernity and part of life. 'The person who buys you a Coke shows he or she loves you'. Those in urban areas looked better as they could access the Coke and other beverages which represented modernity. Those who drank bottled beer looked superior to those taking unrefined, organic and opaque beer. As a result, Zimbabweans were immersed into Western beverages and forgot the importance and taste of the original and traditional formulations. The Zimbabweans were colonized by the Western brands and forgot Maheu. This same scenario could have happened to other non-beverage brands. The new developments in beverage markets have seen the sprouting of many formulations both from local and foreign markets. The shelves in shops are filled and customers seemed to be preferring those organic, and non-fissure drinks. The key question is whether these beverages are really new and radical innovations or

part of retro-branding, re-releases and resurfacing of once traditionally consumed beverages. What made Zimbabwean consumers shift their focus from western produced beverages to locally designed brands?

The greatest danger affecting established businesses and their products is disruptive innovation. Disruptive innovations tend to be seen as inferior to mainstream products. As a result their spread can be likened to the insidious spread of duckweed over the face of a pond. The beverages sector has been the main disruptive resistant. Formulations for soft drinks and carbonated drinks have dominated the beverages sector for some decades, if not centuries. In Zimbabwe, small startup manufacturing firms began to produce some traditional formulations for low income customers. Such drinks are formulated from small grains such as Rapoko, Millet-Inyauthi, Sorghum-Amabele. The majority of people could afford to buy such formulations as 2L could cost USD1. Registration of such formulations was a huge huddle as authorities took exceptions to such products. But, the popularity of such formulations among the lower class was phenomenal. In parallel to these innovations, the established firms in the beverages sector have been going towards the fruit-based formulations, nectars and other ready to drink formulations. While these were gaining foothold, the consumers who are becoming increasingly health conscious seemed not to like these formulations. Now that Zimbabweans are buying Maheu brands as their favourite and lovely beverages, can this be described as a disruptive innovation to the then popular fissure drinks, nectars and fruit juices?

II. Research Objectives

- (i) To identify the key beverages classes that were affected by product innovations
- (ii) To evaluate the factors that could have led to the changes in customer tastes and preferences of beverages
- (iii) To analyse the extent of effects of the innovation on the beverage companies

III. Conceptual Framework And Literature

3.1 Definitions of Innovation

There seems to be an avalanche of definitions of what an innovation is. The more focused and stable definition of an innovation is an intentional introduction and application within a job, work team or organisation of ideas, processes, products, or procedures, which are new to that work team or organisation (West and Farr, 1990). This definition show that innovation ought to be intentional. As a result, there might be great need to look at the agents who intentionally introduce such innovations. Porter and Ketels (2003)'s definition emphasizes the successful exploitation of new ideas, indicating that innovation can be measured. Innovation need to be separated from the concept of creativity. For an organisation that does not manufacture even a single product, Adair (2007) argued that bringing those finished products from one locality to another is innovating. Tidd and Bessant (2009) observed that an innovative organisation opens new markets, or offer new ways of serving existing markets. Tidd and Bessant (2009) acknowledged that innovation can yet be classified as product, process, position or paradigm. While such classifications are important for learning, in practice the difference is often negligible. Studies by De Jong and Den Hartog (2007) tended to look at innovation brought out by employees only. Such a variety of definitions threatened to make the subject fuzzy. As a result, the study of innovation tended to run out of hand and appeared fragmenting (Munshi et al, 2005). Though Christensen et al (2001) had been vocal in trying to distinguish and unbundle innovation types, new terms seem to continue to be invented.

3.2 Classifications of Innovations

The product development has been understood as following a series of processes (Goffin and Mitchell, 2010). However, paying too much attention to formal processing when managing product/service innovation might not be ideal in a highly technological products. The various models have been used for sense-making the areas that are critical for product/service innovation. However, all these approaches seem to have failed to explain why one company becomes so successful while others are struggling. What is left for leaders might be to create a portfolio of innovation enablers to suit different circumstances, departments and employees (Godin, 2014). For example, both formal management and informal management would be critical to bring out the best from employees. How the leaders influenced the formal and informal product innovation would be critical for success. On a different view, Von Hippel (2005) concentrated on the harnessing of feedback from early adopters to improve product/service innovation. This would lead other writers to research on the need to innovate as an ecosystem rather than an individual firm (Adair, 2007). Probably the innovation network approach captures the scenario in the food sector where companies introducing new products do not have to necessarily manufacture them from first principles. The adoption of an old formula to launch a product might be viewed as an innovation for its own.

Disruptive innovation is an innovation that transforms complicated, expensive services and products into things that are so simple and affordable that everyone can access and use them (Christensen, 2011). Understanding what causes people to buy a product might be complex as buying behavior is a result of complex

mix of factors. However, the product change in the beverages sector has been to move from fizzy sugar-based drink to nectars and fruit juices. There are numerous successful innovations that have been implemented in the food industry, and the beverages sector in particular (Matthyssens et al, 2015). To what extent such innovations have been perceived as disruptive has been varied. Christensen et al (2011) view disruption as disruption of market leader's business model and markets by cheaper services and products.

3.3 The Impact of Innovation to Existing Firms

Though Windahl(2015)'s study was in a business-to-business situation, its results indicated that commercialization of innovation could radically disrupt the suppliers' and customer's ways of life and operations. Though beverages market is not a high-tech sector, radical and disruptive innovations could also be felt where customers' values and beliefs about product benefits would have shifted. Muller et al (2005) stress that companies must exploit innovative capabilities so as to confront the disruptive effects. Managers in some organisations are blamed for having vague sense of their innovativeness. There is need to measure the impact of their innovation in the market and other firms' innovation on their operational effectiveness. Chesbrough (2001) views the pioneers as having more chance to introduce disruptive innovations since they are not connected much to their competitors. Further, such organisations do not give out innovation progress information and product innovations are more likely to be 'new-to-world type' (Brown, 2015, Chesbrough, 2001).

Yet another view is to treat maheu product as a functional food (Khan et al, 2014). Functional foods are expected to have beneficial effect on the body and goes beyond simply providing nutrition. However, there has been lack of real novelty in food products innovations as compared to technological innovations. Since the maheu formula has been there since time immemorial, attempts to innovate in this area could be regarded as retro-branding. In fact, Reynolds (2014) write about an era when remakes, reboots, revivals, reissues, reinventions and recycling were a dominant phenomenon. Harford (2014) also concurred, commenting that renovations could be equally important as innovations.

IV. Research Methodology

The study used a qualitative research paradigm to analyse the level of innovation disruption in the beverage market in Zimbabwe. The phenomenological experiences of managers in the beverage manufacturing and distributing companies were established. The research subjects comprised of five(5) managers from manufacturers and three(3) managers from the beverages retailing companies. Manufacturers were critical because they understand the losses and profits of moving from one product category to another as a result of Maheu innovations. The variety of operational designs were to be changed to accommodate the new paradigm of beverage preferences by the market. The retailers are a critical value chain interface who monitor the beverage volumes as they move from manufacturers to consumers. They capture the feelings of consumers as they divert their purchasing from once popular beverages to the Maheu class of beverages. We collected data using the in-depth interview guide which asked questions on the product category of new beverages, causes of changes in preferences and impact of Maheu innovations in the beverage market (Easterby-Smith ,2010). The study comprised interviews which lasted for one hour each. The resulting findings were presented in form of quotation, bulletins, tables, summaries and written notes. All qualitative conversations collected from managers were coded and summarized (Crowther and Lancaster, 2009) into coherent meanings. The data was analysed by producing themes and narratives, experiences of the researchers, literature review and fused with comments by respondents. All relevant concepts and resulting relationships were interconnected to form a model for disruptive innovations.

V. Findings And Discussions

5.1 Key Beverages Classes That Were Affected By Product Innovations

Interview data gathered revealed that fizzy drinks, concentrated juices, beers and nectars have been negatively impacted by the acceptance of maheu formulations. At the same time the managers noted that there has been an increase in health-consciousness of consumers as they now dislike soft drinks. It was confirmed that the previously shunned traditional formulations have taken over the beverages market in Zimbabwe. Though larger companies had invested in fruit juices and nectars, the stocking levels indicate that even these formulations are less favourable than traditional formulations. The study also found out that some overzealous maheu formulations with too much sugar were rejected by the market.

These are some of the comments from the interviews:

Comment 1. "I sent a team to play around with Maheu and come up with various flavours. That has enabled us to remain relevant" The data above shows that maheu formulations have been packaged into a variety of flavours to suit customer tastes. Further data revealed that the flavours included orange, mango, pine apple, sorghum and strawberry. It appears these flavors also represent some innovation on the maheu formulations.

Innovations have also been seen in the packaging with a startling variety of designs being offered by manufacturers. This seemed, however, to be a mixture of both traditional formulations and modern beverages.

Comment 2. “we are searching through all historical formulations from communities and see where we can modify and launch. We will be doomed if we continue with these concentrates. The market is no longer interested” It appears the traditional maheu formula has been known by the manufacturers. Maybe it could have been fear of cannibalization which made some large manufacturers to shelve its maheu projects. Nowadays, there is real pressure to do a big job since competitors are closely following behind. Maheu use malt. The formula used is traditional. But fruit juice is not even difficult to press and produce the drink. The comment above shows some elements of retro-branding and reformulations of products rather than purely new innovations (Reynolds, 2011). The major beverages that were negatively affected by introductions of maheu are Mazoe and competing brands, cascade and competing brands, soft drinks, fruit juices, beers(opaque and clear) and other juices. Most of these were rejected due to too much sugar.

5.2 Factors That Could Have Led To The Changes In Customer Tastes And Preferences Of Beverages

Comment 1. “these days customers do not drink anything, they drink organic drinks... It appears people now worry about sugar in their diet. We have to be innovative and launch organic foods. ”

Comment 2. “..our customers are now health conscious than before. People want traditional products. Even in the meat sector, people are going traditional...”

The maheu, fruit juice and other innovations seemed to be occupying a new industry. But it latter on consumed the market for beer and soft drinks, as healthy consciousness became an important value for Zimbabweans. Effective introduction of disruptive innovations require new activities and resources to create markets and distribution channels. There is need for effective communication of the claimed health benefits and good distribution channels for getting mass access to target segments. In that respect, health professional and associations that promote healthy diets are critical to creating awareness among consumers about these innovations in beverage products. The maheu phenomenon could also be viewed as a value innovation within the food sector (Mattyssens et al, 2008).

The study generally agreed that high literacy rate, health education, information sharing through ICTs, doctors’ and nurses’ prescriptions, increasing price sensitivity and the need for new products led to acceptance of the maheu brands

5.3 Effects Of The Innovation On The Beverage Companies

It was even difficult to say whether the sparkling drinks were in the mature industry or not until after customers indicated they are moving towards traditional beverages. Since many Zimbabwean customers were attracted to new breed of beverages we can also see the Muller and Valikangas (2002)’s comment that best chances for innovation are derived from the negotiation between different sets of values, culture or knowledge. The comment below by some managers reveal that maheu innovations are interpreted as service innovations too. “we now know we are not selling a product, but the service. The service is we prepared the correct drink and packaged it for the customer” In a study by Khan et al (2013) on comparing innovation approaches of food manufacturing companies, the use of less radical and disruptive approaches were generally common. They also recommended use of research-oriented collaborations so as to develop the innovative capabilities of small to medium enterprises for value added food productions (Kahn et al, 2013). Food companies that want to take a lead in food product innovations should also focus on new development in nutrition and relevant technologies. An evaluation of the comment below shows that some firms produce maheu due to lack of capital to manufacture soft drinks. It could be a subtle comment to show that the maheu are also disrupting the soft drink market.

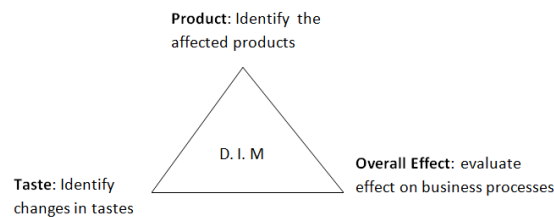
“as an small firm, we are doing quite well. We knew we could not enter into soft drinks. We didn’t have enough capital and chemistry for that...” The maheu formulations have dominated the shelves of supermarkets as a result of a surge in demand.

The study mainly found out that existing beverage manufacturers felt the impact of maheu introductions as their sales volumes, prices and profits fell. This also led some firms to diversify their businesses, change their advertising messages, retrench their employees and also sell some redundant machinery.

VI. Conclusions

This qualitative study into the maheu beverage innovations showed that no single innovation perspective describe fully what has been taking place. Since the maheu formulations have been in existence since time immemorial, recent innovations in changing packaging, flavourants and design still present rich examples of innovations. The displacement of fizzy drink, fruit juices and nectars by maheu could to some extent be perceived as a disruptive innovation in the beverages sector. The disruption was going to be so big if

the maheu brands avoided the ‘add sugar’ tactics. The model for the disruptive innovations in food sector is given by Product-Taste- Overall Effect(PTO) analysis. This is summarised by the diagram below.



Note: DIM: Disruptive Innovation Model

The model above encourage new product manufacturers to consider how their innovations compare with existing Products, how they address the changes in customers’ Tastes and the Overall effect to the industry and market. This end up be known as a P.T.O- Disruptive Innovation Model(D.I.M).

VII. Recommendations

The researchers encourage maheu beverage manufacturers to avoid high sugar mixtures in their brand variations. More healthy additives should be used since the popularity of maheu is based on healthy consciousness and need for traditional taste by Zimbabwean customers. Further study is also recommended to evaluate how customers perceive the maheu formulations in terms of product class preferences, changes in taste and overall impact in the market and businesses(TheD.I.M- P.T.O-model).

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