

New Product Development Strategies and Marketing Performance in the Nigerian Food and Beverage Industry

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Abstract

In the Nigerian market, new product development plays a vital role in achieving a sustainable competitive advantage. The main objective of the study is to examine the effects of new product development strategies on marketing performance. Stratified random sampling technique was applied at selecting the sample. The study made use of a sample size of 221 employees from selected firms in the food and beverage industry in Lagos State, Nigeria. Cross sectional survey research design method was adopted, and the statistical techniques used comprised of simple percentage and multiple regression analysis. Findings showed that the change in marketing performance was brought about by the sub variables of new product development in the Nigerian food and beverage industry. New product quality which is the first variable has positive effect on marketing performance. New product packaging which is the second variable has positive effect on marketing performance. New product branding which is the last variable has positive effect on marketing performance. The study concluded that new product development strategies have significant positive effects on marketing performance in the Nigerian food and beverage industry. The study recommended that firms need not only to rely on promotional strategies but have to fine tune their marketing research programme with a view of improving the quality of their product.

Keywords: New Product Development Strategies, New Product Quality, New Product Packaging, New Product Branding, Marketing Performance

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I. Introduction

The competitiveness in global and local markets highlights the importance of design, quality, productivity, optimal price levels, multi-company collaboration and production process predictability. The producers are under pressure to keep and increase their places in the market. To enhance their capability to innovate, bring products to the market more rapidly and reduce production bottlenecks, the manufacturers have been enhancing their product development and management abilities. Product development projects should comprise of risk assessment, that enables managers to recognize and measure the risks connected with resource constraints and then develop suitable responses. It is a cycle by means of which an innovative company consistently converts ideas into commercially feasible goods or services. Firms usually see new product development as the first stage in creating and commercializing new products within the overall strategic process of product life cycle management used to grow or maintain their market share (Dolezal, Machal and Lacko, 2009). In engineering and business, new product development is the term used to explain the complete process of bringing a new product to market. A product is a set of benefits offered for exchange and can be intangible (like a service, experience, or belief) or tangible (that is, something physical you can touch). There are two parallel paths involved in the new product development process: one involves the idea generation, detail engineering and product design; the other involves marketing analysis and market research.

As posited by Vourlioti, Chatzoglou and Diamantidis, (2008) technological evolution, the highly competitive environment and the varying (diversified) customer needs, have forced enterprises to search for and apply new product development processes that could improve their product unique characteristics, quality and business performance. Vourlioti *et al* (2008), Balboutin, Yuzdani, Cooper and Souder (2000) observed that industries employ its own standards and different methods to design new product development process (NPD), depending on its types, size and number of services or products that it produces, as well as its business environment. Marketing performance measurement should be a logical extension of the budgeting and planning exercise that happens before a company's fiscal year. The goals that are set should be both applicable and measurable to every marketing role within a firm. Companies employ various methodologies to measure marketing performance and ensure they meet those performance goals.

Industries have realized that low cost, differentiation strategies and high quality are not enough to lead them to business success (Kaplan and Norton, 2001). Pooltan and Barclay (1998) posited that innovation should be centered on consumers, while its success depends on how much innovation conceptualizes consumers' needs and requirement. According to Calantone, Anthony and Di, (2000) there is no one right strategy for a company, rather for new product development, the different stages are allowed to overlap, and to speed up the product development process right from the idea generation to commercialization. The product development process should focus on the following strategies, time to market, low product cost, low development cost, innovation and technology, quality, reliability and responsiveness and robustness services (Calatone *et al* 2000) techniques to speed cycle time while maintaining product quality, and customer satisfaction. Positive business performance includes concurrent engineering, integrating marketing, research and development, teams and reducing product complexity (Droge, Jayanth, and Shawnee, 2000; Calantine *et al* 2000).

In developing a marketing strategy for individual products, the seller has to confront the branding decision. Branding is a main issue in product strategy Developing a branded product requires a great deal of long-term investment spending especially for advertising, promotion and

packaging. Branding is a means to differentiate the products of one manufacturer from those of another. The world is the business arena today; thus, corporate growth and profitability depend on a globalization strategy combined with the product innovation. In global markets, product development plays a key role in attaining a sustainable competitive advantage (Kleinschmidt, de Brentani, and Salomo 2007).

Gaining and sustaining competitive advantage is the defining question of strategy. Barney (2002) asserts that a firm experiences competitive advantage when its actions in an industry generate economic value and when few competing companies are engaging in similar actions. Barney in his work goes ahead to tie competitive advantage to performance, arguing that, a firm obtains above-normal performance when it generates greater than expected value from the resources it employs. The perceived value from the product and the service affects customer judgment about his/her satisfaction or loyalty with the product or the service. Multinational companies that take a global approach to new product development do better than those that focus their research spending in their home market (de Brentani and Kleinschmidt, 2004; de Brentani, Kleinschmidt, and Salomo, 2010; The Economist, 2008; Kleinschmidt, de Brentard, and Salomo, 2007). International products designed for and targeted at world and nearest neighbor export markets are the best performing new products. By contrast, products designed for only the domestic or home market, and later adjusted and sold to nearest neighbor export markets, far worse. The magnitude of the differences between international new products and domestic products is striking: two or three to one on various performance gauges. The main aim of this study is to examine the effect of new product development on marketing performance in the food and beverage industry in Lagos State, Nigeria. The variables of new product development such as product quality, product packaging and product branding could have impact on marketing performance.

Statement of the Problem

New product development decisions must times are usually made quickly bearing in mind the fact that products are meant to satisfy the needs of some kind. It is also essential to understand that where product development is concerned, all hands must be on deck and this requires that product development teams are diverse and that the teams work with one spirit. A diversity of perspectives and ideas can generate problems such as increased confusion and decision complexity. Product development is guided by market needs. A lot of new product ideas come from scientific discoveries and new technologies. Firms most times do not assign specialists to study the technological environment in search of new ways to meet customers' needs. Product development is an important element of the marketing tool of the food and beverage industry. Unfortunately many firms in the food and beverage industry do not seem to realize it, because of the cost involved and they feel that their products can sell itself even in the face of competition.

Marketing research is a crucial aspect in new product development it's the very first step which determines the success of any product. It acts as the foundation and cornerstone of any product. Unfortunately the impact of marketing research is the aspect that receives the least attention; firms need not only to rely on promotional strategies, but have to fine tune their marketing research programme with a view of improving the quality of their product. Poor or inconsistent product quality and product failure to perform at the levels expected by users can result in poor sales. A situation where a firm cannot produce sufficient qualities to meet up with demand due to production problem, the resultant effect is that competitors may gain an unanticipated market share. Despite the pains taken to provide satisfactory products to consumers, only few of many new products seem to succeed in the market place. Failure can be very expensive and difficult to cope with. Since previous studies have been conducted on new product development and have not addressed the effect it may have on marketing performance in the Nigerian food and beverage industry. This research aims to fill this gap in study.

Objectives of the Study

The main objective of the study is to examine the effects of new product development strategies on marketing performance. The specific objectives are to:

- i. ascertain the impact of new product quality on marketing performance.
- ii. ascertain the effects of new product packaging on marketing performance.
- iii. examine the influence of new product branding on marketing performance.

II. Literature Review

Conceptual Review

New Product Development Strategies

The society expects that all the manufacturing industries should constantly enhance their business performance. To do this, all firms should strive to compete and operate in an expanding and dynamic environment, and new product development is an essential source of competitive advantage. According to Ewah, Ekeng, and Umanta, (2008) new product can be defined as an invention or innovation or modification of an existing product to an extent that customer perceive the modified version as distinct or existing product just entering the market. Product development strategy is realized and recognized via a process whereby those with the power to make decisions for the firm interact among themselves with other company members and with external parties (Benson, Willy and Charles, 2015).

The successful development of new products continues to be a critical business activity as companies, both large and small, strive to maintain or acquire competitive advantage. Nevertheless, sadly it is still difficult to have successful new product development (Ayers, Gordon, and Schoenbachler, 2011). As a matter of fact, some factors make new product development (NPD) difficult and high-risk: increasing cost of research and development (R and

D); radical and rapid development of technology, short life cycles of products, drastic competition, and high failure rates of new products (Calantone, Harmancioglu, and Droge, 2010; Song and Noh, 2006). Moreover, hostile and turbulent environments make NPD more vital and difficult. In this view, there is a rich stream of literature concentrating on the components of new product success (Droge, Calantone, and Harmancioglu, 2008). The low success rate of launched products is a concern, given that developing successful new products and services is the lifeblood of today's acknowledged industry leaders (Dorval and Latter, 2004).

Cooper and Kleinschmidt (1995) developed five extensive categories as success factors of NPD at the project level; each of the groups are: (1) NPD process; (2) organization; (3) culture; (4) role and commitment of senior management and (5) strategy (Cooper and Kleinschmidt, 1995). In addition, Cooper and Kleinschmidt (2007) supported nine factors that differentiate the better performing businesses in which the first four components are very strong way. These factors are: a high-quality new product process, a defined new product strategy for the business unit, adequate resources of people and money, R and D spending for new product development, high- quality project teams of new product, senior management committed to and involved in new products, climate and culture of innovation, the use of senior management accountability and cross-functional project teams for new product results.

The identification of the original stage in the NPD process can assist firms to make NPD a success. Hence, Khalil (2000) introduced four different stages for new product development that involves: planning, development, marketing, and commercialization. Ewah et al (2008) states that new products are the life blood of firms, small or large. Proficiency in new product development can add to the success of many companies. If firms can enhance their efficiency at introducing new products, they could double their bottom line It is required that firms should developed new products to replace those that have become outdated or launch completely new products that will he captivating before larger market

NPD is a dynamic process, which requires the exploitation and integration of all the enterprise capabilities, in order for a new product with unique characteristics which will satisfy market needs to be produced (Marsh and Stock, 2003). New Product Development (NPD) is often costly as it involves substantial expenses. Therefore, it is essential to manage NPD effectively and efficiently. In terms of managing NPD performance, Anderson, (2008) stated that a firm's overall new product performance depends on the five factors: the NPD process; climate and culture for innovation; the organisation of the NPD programme; senior management commitment to NPD and the NPD strategy.

From a strategic point of view, new products well adjusted to the voice of the consumer, with perceived technical dominance developed within budget and launched ahead of the competition provide real competitive advantages for the firm (Nikolaos, Erik and Susan, 2004). Furthermore, new product development is the lifeblood of many companies, and represents the best hope for potential growth. The NPD process is guided by new product strategy that aims to align the NPD efforts of the company with its strategic imperatives (Hargadons. 2003). This alignment Warrants that the new products planned will assist the strategic objectives of the company and make the best use of its strategic competencies

(Nikolaos, *et al* 2004). A new product concept as defined by (Crawford and Benedetto, 2003), is a statement about projected product characteristics (technology or form) that will yield preferred benefits relative to other products or problem solutions already available.

Belliveau, *et al* (2002) stated that a new product is a product (either a good or service) new to the company marketing it. It excludes product that are only altered in promotion. Cooper (2001) asserts that a new product is seen as new if it has been on the market for five years or less, and includes extensions and key enhancement, Booz-Allen, and Hamuton, (2005) have recognized approximate percentages of new product types and they are outlined and discussed as follows:

1. **New-to-the-world Products:** Products that are innovations “New-to-the-world products revolutionize existing product classes, or describe totally new ones” (Crawford *et al.*, 2003). These new products may consists of an innovative technology and necessitate consumer instruction. Cooper (2001) asserts that these new brands are the first of their kind and can build a wholly new market.

2. **New category entries (New product lines):** Products, not new to the world, that take a firm into a new category. The new category is a replication of an existing product (me-too”) and provides entrance into new markets for a firm. Even though the product already exists in the market, if a company launches the similar product into the market., it can be seen as a new product. About 20 percent of all new products fit into this group (Cooper, 2001).

3. **Addition to product lines:** Products that are line extensions: According to Cooper, (2001), these categories are new items to the firm, but they fit within an existing product line that the firm already produces. Kumar and Phrommathed (2005) indicated that these categories are the new products that add-on the company’s established product lines. Thus, this class contains products that are flankers or line extensions (Crawford *et al.*, 2003). This category is one of the largest group of new products and accounts for about 26 percent of all new product launches in the nineties (Im., Gayns, and Mason, 2003).

4. **Product enhancements:** Current product made better: Basically every product on the market today has been enhanced. These ‘not-so- new” products can he replacements of existing products in a firm’s product line. However, they provide improved performance or superior perceived value over the old product (Crawford *et al.*, 2003).

5. **Repositioning:** Products that are targeted for a new use or a new application: Repositioning, a new application for an existing products, is solving a new problem, selecting a new market place and/or serving another market need.

6. **Cost Reductions:** Products that are created to replace existing products at lower cost: New products that provide a cost reduction, can replace existing products in the line, but can offer similar benefits and performance at a lower cost.

New Product Development Process

To move quickly and also avoid expensive new product failures, many companies follow an organized new product development process. These processes include: Idea generation, Idea screening, Idea evaluation, Development, Test Marketing, and Commercialization (Perreault and McCarthy, 1996).These are thus explained.

Idea generation: The goal of idea generation is to explore thoroughly, the space of product concepts that may be applied to meeting customer needs. Concept generation consist of a mix of external search, creative problem solving within the team, and systematic exploration of the different fragments the team generates.

Idea screening: Idea screening or concept selection is the activity in which various product concepts are analyzed and successively eliminated to recognize one preferred concept. The process typically requires several iterations and may initiate additional concept generation and modification.

Idea evaluation: When an idea or concept has been chosen, it is evaluated more carefully. For help in idea evaluation, firms use concept testing to get feedback from customers about how well a new product idea fits their needs. Concept testing uses market research ranging from informal focus to formal surveys of potential customers.

Development: Product ideas that survive the screening and evaluation stages must now be analysed further. Usually this involves some research and development and engineering to design and develop the physical part of the product.

Test marketing and commercialization: A product that survives this far can then be test- marketed. Oftentimes simulation tactics is used to test the market. At this stage, also, promotional activities can be used to test-market the product. If the product is seen as being able to do well in the market, it can then be mass produced depending on the market strategy chosen by the firm. Ulrich and Eppinger (2007) states that a well defined development process is useful for the following reasons:

1. Quality assurance; A development process specifies the phases a development project will pass through and the checkpoints along the way. Assuming that these checkpoints and phases are chosen wisely, following the development process is one way of assuring the quality of the resulting product.
2. Coordination; A clearly expressed development process acts as a master plan, which specifies the roles of each of the players on the development team. This plan informs the members of the team when their contributions will be needed and with whom they will need to exchange information and materials.
3. Planning; A development process contains natural milestones matching to the completion of each phase.. The timing of these milestones anchors the schedule of the overall development project.
4. Management; A development process is a standard for evaluating the performance of an ongoing development effort. By comparing the actual events to the established process, a manager can identify the possible problem areas.
5. Improvement; The careful documentation of an organization's development process often helps to identify opportunities for improvement.

New Product Quality

Nowadays, customers demand for customized products forces firms to increase product range, i.e. increase the variety they offer in the market. Product variety covers both external variety, i.e. the range perceived by the customers and internal variety, i.e. the diversity of mechanism and semi-finished products (Pil and Holweg, 2004). Product variety is defined during NPI process. This decision influences supply chain performance. For example, when product variety increases direct production costs, delivery times, manufacturing overhead and inventory levels increase as well (Ocampo and Vandaele 2002). The magnitude of the effect of variety on the supply chain performance relies on SCM choices. For example, the effects of variety on a company depends on its intrinsic flexibility (Ramdas, 2003) and centralization extent of final assembly (Tynjaia and Eloranta 2007).

Vani, Ganesh and Panchanatham, (2011) affirm that product uniqueness that includes colour, quality, attribute, taste, product knowledge and innovation, ingredients and brand image affect decision making. Attributes of a product are relevant to customers because they are the ones that deliver the benefits that consumers are seeking from the products. Angela, (2006) highlights that taste of the product also influences consumer buying behaviour. However, results from Angela study showed no significant results on brand preferences because of different tastes that consumers have. Colours just like words have been seen by transmitting ideas that prompt buying. Vani *et al.* (2011) adds on to this view by stressing that colours can be taken to be symbols which express distinct meanings. Vani *et al.* (2011) further pin point that the meaning of a particular colour may depend largely on individual's culture or their economic social status. Product quality motivates customers to make a purchase. However product quality is seen in a different way by many customers and this sense, it is debatably that customers judge the extent of quality basing on the period of time of product usage.

Therefore consumers' perception of quality determines their decision-making process. Product innovation is also another element contributing to consumer purchasing behaviour. Shopping innovativeness is viewed as a tendency to try new products and brands. Ingredients have also been identified as a factor that influences buying behavior. However, brand image is an extrinsic value of a good and is perceived to have less impact compared to intrinsic attributes. Brand image should be considered as a consistently risk reliever before planning for a buying decision. Consumers are strongly oriented toward products with brand image than toward products with no brand image (Belch and Belch, 2002). In today's highly competitive marketplace customers greatly depends upon product cues such as brand image and price in order to realize the quality of products they purchase (Oxoby and Finnigan, 2007) The marketing literature emphasize that these cues are observable product or service attributes that enable customers to make inferences about unobservable attributes of products such as service quality or product durability, which guide customers to ascertain the perceived product quality (Iyengar and Lepper, 2000; Schwartz, 2000; Roest and Rindfleisch 2010). A study by Toivonen (2012) reported that the quality of a tangible product can be determined by its performance aspects and its technical attributes.

Thus;

Ha₁. *New product quality has a significant relationship with marketing performance.*

New Product Packaging

In today's competitive environment the role of package has changed due to increasing changing consumers' lifestyle. Firms' interest in product packaging as a tool of sales promotion is increasing. Package becomes a crucial selling proposition inspiring impulsive buying behavior, reducing promotional costs and increasing market share. Rundh (2005) asserts that package attracts customer's attention to specific brand, improves its image, and influences customer's perceptions about product. Also package creates distinctive value

to products (Silayoi and Speece, 2004), works as a tool for differentiation, i.e. helps customers to choose the product from wide variety of similar products, influences consumers buying behavior (Wells, Farley and Armstrong, 2007). Thus package performs a relevant role in marketing communications and could be treated as one of the most vital factors affecting consumer's purchase decision.

Rita, (2009) opined that package attracts customer's attention to specific brand, improves its image, and affects consumer's perceptions about product. Also package impacts unique value to products (Silayoi and Speece, 2004), works as a tool for differentiation, i.e. assists customers to choose the product from wide variety of similar products, and stimulates consumers buying behavior (Wells, et al 2007). Thus package performs a relevant role in marketing communications and could be treated as one of the most vital components affecting customer's purchase of package, its elements and their influence on consumer's buying behavior became a vital issue.

Customers nowadays are bombarded with a lot of marketing stimuli, clues in order to being attracted by different firms. In this line Keller (2008) asserts that customers are exposed to more than 20,000 product choices within a 30-minute shopping session. The main aim of packaging is to protect the product, but packaging can be used by firms as an instrument for promoting their marketing offer and for enhancing their sales. A good packaging helps to differentiate and identify products to the customers. Packaging is used for easy safety and delivery purpose. Packaging helps firms to differentiate the product from other brand. Alvarez and Casielles (2005) assert that companies' intentions are developing brands in order to attract and retain the existing customers. Customers respond to packaging based on learned reactions, prior information and individual preferences (Aaker, 2010). So, packaging elements colors, sizes, shapes, and labels influence customers to respond positively. Many packaging elements are components that affect the buying behavior of customers such as, packaging color, printed information, packaging material, design of wrapper, printed information, brand image, innovation and practicality (Jusuf, and Vjollca, 2015).

Colors used in packaging can aid in attracting customers attention. Color of packaging is vital because it is used by firms to differentiate its product from other competitors (Jusuf and Vjollca, 2015). Therefore, colors play a relevant role in a potential customer's decision-making process. Firms use different colors for explaining a different mood, like, blue is used for trust., red for energy, black is used for power, green for balance or organic and fresh. Color is a relevant element of packaging because customers expect certain type of colors for specific products (Keller, 2009). Different colors also symbolize different meanings to customers. For instance, orange, purple, yellow, they have different meanings according to the customer culture and perception. Singh (2006) stated that color perceptions differ across cultures and most of the religions are believed to have their sacred colors. Charles, Joe and Carl (2011) in their book "Essentials of Marketing" think that packaging has four separate marketing functions. It protects and contains the product. It promotes the product It helps customers to use the product and finally, packaging supports recycling and lessens environmental damage. Therefore, packaging does more than just protecting the organization's products. It also helps in developing the image of the product in customer mind. So, failing to pay attention to the design of the packaging can reduce the chances of being attractive and visible, which can result in using sales.

Customers under time pressure their decisions are affected when the package comes with a unique appearance that contains accurate and simple information (Silayoi and Speece, 2004). These days, there are customers that pay more attention to label information since they are more concerned with nutrition and health issues (Coulson, 2000). The material used in packaging is a vital component which prevents the product from any loss or damage. It is more likely that the high quality material might attract consumer more than low quality material (Jusuf, and Vjollca, 2015). So, packaging material has strong effect on buying behavior. According to Smith and Taylor (2004) consumer's link to the packaging materials is linked by customers with certain vital values of the product. In addition, customer perceptions concerning certain materials could change the perceived quality of a product (Smith and Taylor, 2004).

Deliya and Parmar (2012) highlighted that the definition of packaging varies and range from being simple and functionally focused to more extensive, holistic interpretations. The abovementioned emphasize that packaging act as an extrinsic value of the good. Kotler (2000) posits that packaging comprise of all activities that are involved until the final package is done. Packaging is also seen as an attribute of the final product. Orth and Malkewitz (2008) emphasize that packaging design is defined as diverse blended components that are designed to attain a specific sensory effect. Bruce and Daly (2007) stated that design increases products value and their organizations. The aforementioned researchers states that packaging designs add to the creativity, intellectual property and competence of the company. Orth and Malkewitz (2008) debate that package design is an exceptional relevant medium because it has such a high effect

on a consumer's decision making. The package is what the consumer sees and helps make his/her decision to purchase. Designers and marketers can provoke different behaviours from customers based on the designs of their packages. The final aim of the packaging is to get the consumer buying the product.

Therefore;

Ha₂. *There is a significant relations hp between new product packaging and marketing performance*

New Product Branding

Brand positioning sets the direction of marketing programs and activities what the brand should and should not do with its marketing. Brand positioning entails establishing major brand associations in the minds of consumers and other relevant constituents to differentiate the brand and establish competitive superiority (Keller *et al.* 2002). The success of any consumer product or business depends in part on the target markets capability to differentiate one product from another. Branding is the key instrument used by marketers and firms to differentiate their products from that of competitors. It is regarded perhaps that, the most unique skills of professional marketers is their ability to create, protect, maintain and improve brands. It is of great importance that companies create a name that could easily be identified by target market and also helps to distinguish the product in question from those of competing products. Brand is defined by the American Marketing Association as term, name, symbol, sign, or combination of them, intended to identify the goods or services of group of sellers or one seller and to distinguish them from those of competitors. Branding, being a part of marketing concept and process has contributed greatly to survival of many business organizations and in marketing environment because they all interrelated with products, finance as well as other business concepts. Kotler, (2001) point out that many firms do not brand their product because they either unable or unwilling to assume the two major responsibility inherent in brand ownership: his responsibility for demand stimulation through advertising, personal selling and other forms of promotion and the responsibility of maintaining an adequate quality of output.

The choice of a brand is a very critical decision because the name affects customers' image and attitude towards products and the firm. Thus, it is a contributing factor in making it a winner or loser in the competitive market. This is to say that organizations should consider a variety of issues when selecting a brand name which is the most difficult task facing marketing management. Branding should therefore, improve the company's image, boost sales and profit. Kotler, (2009), suggested that some brand names are successful even though they violate principles of good branding mostly because they are promoted often enough and long enough for customers to build associations. According to Wilson (1992), "brands are designed to enable customers to identify products or services which promise specific benefits". As such, they are a form of short hand in that they create a set of expectations in the minds of customers about purpose, performance, quality and price. This in turn enables the strategist to create added value into products and to distinguish them from competitors.

Branding is an effective tool in marketing strategy to promote goods and services for optimum turnover and profitability of industrial and household products Therefore., branding of goods and services calls for product differentiation in the market which originality is traceable with trademark to their respective producers. Branding also determines the survival of organization products in the competitive business environment. It is expected that we do not pay any attention to almost half of the available brands during purchase consideration (Russo, Edwards and Leclerc, 1994). Most products only get a rapid brief glance, and only a fortunate few really hold our attention. Research reports that the more attention a product receives, the more likely it is to be chosen (Chandon, Wesley Hutchinson, and Young, 2002). Given the relevance of attention on customer choice, it is relevant to understand how branding affects attention. Branding ultimately works as a signal. It allows customers to speedily identify a product as one they are familiar with or one they like.

It acts as a memory signal, allowing customers to retrieve important information from memory. This information may he about past experience of the brand, brand associations or brand perceptions. The information we have stored about brands is fundamental in guiding our decisions. Brands that are recognized more easily and speedily are liked more and highly chosen more (Winkielman, Schwarz, Reber and Fazendeiro, 2000). Branding on packaging supports these memory processes, giving customers the information they need rapidly and efficiently. The rate with which customers can find and identify products is fundamental in determining their decisions. A pool of research on processing fluency suggests items that come to mind speedily and easily are liked more and perceived to be of high value (Winkielman *et al.*, 2000).

Thus;

Ha₃. *New product branding has a .significant relationship with marketing performance*

Marketing Performance

The marketing performance of a firm can be evaluated in different ways: according to the book "Marketing metrics" "50+ metrics every executive should master". There are 9 main categories of marketing metrics; margins and profits, product and portfolio management; customer profitability; sales force and channel management; pricing strategy, promotion, advertising media and web metric, marketing and finance and share of hearts, minds and markets. Gaining and sustaining competitive advantage is the defining question of strategy. Barney (2002) posits that "a company experiences competitive advantage when its actions in a market or

industry build economic value and when few competing companies are engaging in similar actions. Barney in his work goes ahead to tie competitive advantage to performance, contending that, a company obtains above-normal performance when it generates greater than expected value from the resources it employs. The perceived value from the product and the service affects customer judgment about his/her satisfaction or loyalty with the product or the service. The relevance of customer loyalty is that it is closely associated with the firm's continued survival and to strong future growth (Fornell, 1992). Customers that are very satisfied with a company are very likely to remain with that company that leads to future revenue for the company. Customer loyalty is the result of a company's creating a benefit for consumers so that they will maintain and progressively repeat business with the organization (Anderson and Jacobsen, 2000). It is in fact a severe held commitment of consumers to prefer products or services of a specific firm in future in spite of marketing influences or situational constraints to cause the switching behavior. In addition true customer loyalty is formed when consumers become advocate of a firm without any incentive (Oliver, 1997).

Competitive advantage can result from either implementing a value creating strategy not simultaneously being used by any potential or current competitors (Barney, 1991). A company's competitive advantage can be created by providing the means to outperform its competitors by paying attention to external factors (Pardi cited in Barney, 1991). Customers leave dissatisfied when they feel have spent too much time on something which would take less long. Quality is perceived objectively and subjectively (Blummburg, 1991). Kotler, (2000) contends that in product development a firm remains in its present markets but develops new products for these markets. Goedhuys and Veugelers, (2008) found that innovative performance is an important driver for firm growth and the combination of product and process innovations has significantly improve firm growth. Financial markets may be attuned sharply to product development outcomes in publicly traded firms (Anurag and Nelson, 2004). Robbins, (2001) posits that marketing performance and financial performance were usually used for operating performance of a business. Financial performance contained rate of return, pretax income, return on sales, volume of sales, and sales growth rate, while market shares were the representative of marketing performance.

III. Theoretical Review

Ansoff Matrix Model

The Ansoff Matrix model is a strategic planning tool that provides a structure to assist senior managers, executives and marketer's device strategies for potential growth. It was named after Russian American Scholar Igor Ansoff, who came up with the concept. The Ansoff Growth matrix is seen to be a relevant strategic planning tool that helps a business determines its market and product growth strategy. This theory helps in elucidating how the concept of product development strategy is borne in any company (Sheila and James, 2016). The Ansoff matrix (1957) as a business technique provides a structure supporting growth opportunities to be recognized as it aids companies to device the strategies they employ and each of these growth alternatives draws on both external and internal influences. The matrix offers a structured way to assess relevant strategies for growth.

The four strategies are: product development, market development, market penetration and diversification (Sheila and James, 2016). Market penetration involves selling more recognized products into existing markets, often by increased promotion or better routes to market or price reductions for instance online. Product development involves developing new products or services and positioning them into existing markets. Market development deals with taking existing services or products and selling them in new markets. Diversification involves developing new products and placing them into new markets at the same time. Diversification is seen as the most risky strategy. This is because the business is intensifying into areas outside its core experience and activities as well as targeting. Even though the Ansoff growth strategy assists firms to come up with new products and new target markets, research however reports that customers differ in how quickly they decide to adopt (buy) a product after they are introduced in the market.

IV. Research Methodology

The research design method employed for this study was the survey research design method, as it aided the researcher in the assessment of public opinion using questionnaire and sampling methods. The selection of this research design was guided by the following factors; Firstly, the choice of the topic used for this study, secondly, the researcher was familiar with it. The third reason is that the researcher was comfortable with it. Remenyi, Williams, Money and Swerts, (2007) considers the third factor "conformability" very important for successful conduct of a research. The survey approach was chosen because it is suitable for answering research questions relating to quantitative issues: "What", "how much", and "how many"? (Remenyi *et al.*, 2007). This study covered six selected firms (Chi Limited. Crown Drinks Ltd. Leventis Foods Ltd, Unilever Nigeria, Nestle Nigeria Plc, and Cadbury Nigeria Plc) in the food and beverage industry in Lagos State, Nigeria. Simple random sampling method was used in the selection of the firms whose employees participated. Hence, the population

consists of four hundred and ninety-six (496) employees (as reported by the human resource management department of each firm) to whom the work was generalized.

The sample size used for this study was determined at 5% level significance using Taro Yamen's Formula (TYF). Therefore, the sample size that was used in this study constitutes 221 staffs. The study adopted the simple random sampling technique in picking the firms whose member of staff participated. The simple random sampling method was adopted because it needs only a minimum knowledge of the study group of population in advance and it is also free from errors in classification.

The stratified sampling technique was then used at picking the sample. Stratifying the entire population helps to ensure that a sample accurately reflects the population being studied in terms of the criteria used for stratification. Stratified random sampling technique was adopted because it ensures that each subgroup within the population receives proper representation within the

sample. The primary data was gathered and specifically designed in the likert scale questionnaires pattern that was administered to members of selected sample. To establish the reliability of the instrument, a test-retest method was employed. The recommended coefficient value for Cronbach's Alpha test score was set at 0.7 (Hair, Bush and Ortinau, 2006). From the table below, it can be observed that favourable reliable scores were obtained from all the items, since all the values were above 0.7, exceeding the common threshold of Cronbach Alpha value recommended by Hair *et al.* (2006) which makes measurement of the model reliability accepted.

Table 1: Reliability Statistics
Reliability test for all items in the Questionnaire

Variables	Number of items	Alpha (α) value
New Product Quality	4	0.811
New Product Packaging	4	0.719
New Product Branding	4	0.815
Marketing Performance	4	0.771

Source: output of pilot survey data, 2020.

V. Results and Discussion

A total of 221 copies of structured questionnaires were distributed to the respondents, 219 copies were retrieved. Out of the 219 copies of questionnaire returned, 4 were not properly filled, while the analysis for this study was based on the sample size of 215.

Table 2: Model Summary

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate
1	.825 ^a	.680		.676	.8375

a. Predictors: (Constant), product branding, product quality, product packaging

Table 3: Analysis of Variance
ANOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	314.630	3	104.877	149.518	.000 ^b
Residual	148.002	211	.701		
Total	462.633	214			

a. Dependent Variable: marketing performance

b. Predictors: (Constant), product branding, product quality, product packaging

Table 4: Multiple Regression Analysis of New Product Development Strategies and Marketing Performance Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.439	.762		3.202	.002
	product quality	.215	.059	.224	3.635	.000
	product packaging	.277	.061	.286	4.568	.000
	product branding	.373	.054	.406	6.929	.000

a. Dependent Variable: marketing performance

VI. Discussion of Findings

The change in marketing performance was brought about by the sub variables of new product development strategies as indicated by the adjusted R^2 value by 68% (.676). The F -ratio in table 3 shows that new product development strategies statistically significantly predict marketing performance, $F(3, 211) = 149.518$, $p < .0005$ (This implies that the regression model is a good fit of the data). Furthermore, it was reported in table 4 that new product quality which is the first variable has positive effect on marketing performance ($\beta = .224$, $P < 0.01$). In furtherance, the test of hypothesis indicated in table 4 showed that new product quality has a significant relationship with marketing performance ($0.000 < 0.05$). This is in agreement with Vani, *et al.* (2011) view that product attributes that includes taste, product knowledge, colour, quality and innovation, ingredients and brand image affect decision making. This is also in line with Toivonen, (2012) findings that the quality of a tangible product can be ascertained by its technical attributes and its performance aspects. This implies that quality products are important to consumers because they are the ones that deliver the benefits that consumers are seeking from the products.

Table 4 showed that new product packaging which is the second variable has positive effect on marketing performance ($B = .286$, $P < 0.01$). In furtherance, the test of hypothesis reported in table 4 showed that there is a significant relationship between new product packaging and marketing performance ($0.000 < 0.05$). These findings are consistent with Rundh (2005) findings that package attracts customer's attention to specific brand, improves its image and affects customer's perceptions about product. Also package imparts unique value to products (Silayoi and Speece, 2004), works as a tool for differentiation, i.e. helps customers to choose the product from wide variety of similar products, stimulates consumers buying behavior (Wells, Farley and Armstrong, 2007). The implication of this finding is that package performs a relevant role in marketing communications and could be treated as one of the most vital factors influencing customer's purchase decision. It was reported that new product branding which is the last variable has the highest positive effect on marketing performance ($\beta = .406$, $P < 0.01$). Furthermore, the test of hypothesis indicated in table 4 showed that new product branding has a significant relationship with marketing performance ($0.000 < 0.05$). This finding is consistent with the view of Wilson (1992) that brands are designed to enable customers to identify products or services which promise specific benefits. As such, they are a form of short hand in that they create a set of expectations in the minds of customers about purpose, performance, quality and price. This is also in agreement with Winkielman, *et al.* (2000) view that brands that are identified more easily and quickly are liked more and highly chosen more. This implies that branding on packaging supports these memory processes, giving customers the information they need efficiently and quickly.

The study equation to predict Y (MP) = $a_0 + a_1NPQ + a_2NPP + a_3NPB + e$
Therefore, from the results $MP = 2.439 + (0.215NPQ) + (0.277NPP) + (0.373NPB)$

VII. Conclusion

Based on the findings of this study, the following conclusions were reached:

The study concluded that new product development strategies have significant positive effects on marketing performance in the Nigerian food and beverage industry.

Consumers' perception of product quality determines their decision-making process. Product innovation is also another element contributing to customer buying behaviour. Shopping innovativeness is seen as a propensity to try new products.

A good packaging helps to differentiate and identify products to the customers. Packaging is used for safety and easy delivery purpose. Packaging helps firms to differentiate the product from other brand.

The choice of a brand is a very critical decision because the name affects customers' attitude towards products and the firm. Thus, it is a contributing factor in making it a winner or loser in the competitive market. Branding is an effective tool in marketing strategy to promote goods and services for optimum turnover and profitability of industrial and household products.

VIII. Recommendations

In line with the findings and the conclusion of the study, the following recommendations were made.

- i. Firms should consider a variety of issues when selecting a brand name which is the most difficult task facing marketing management.
- ii. Firms in the food and beverage industry should identify the areas they are performing well in terms of new product development and also loopholes they need to attend to.
- iii. Managers should understand what it entails to improve marketing performance in the industry.

- iv. Firms need to organize new product development strategy as a dynamic process, which requires the exploitation and combination of all the enterprise capabilities, in order for a new product with unique characteristics which will satisfy market needs to be produced.

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