

Developing a Promotion Strategy for a New Product: Using Three Firms in Nigeria

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Abstract

The aim of the study is focused on investigating the new product development processes involved in pushing a product from inception of the idea to full market launch of three Nigerian companies. The companies are titled Company X which is a food production company, Company Y which is a soap/detergent production company and Company Z which is a baking company. The theoretical model used is the Stage-Gate model. The data collection process focused on conducting structured interview with the R/D and production teams from the different companies.

After the interview and research comparisons, it was found out that the three companies follow the model explained in the literature from idea generation to the product launch process and they made use of up to date product development processes and standards in their product processes.

Results gathered from the interview were compared with other product development processes of standard companies like Colgate-Palmolive and Unilever Plc.

Keywords: Product development, idea generation, testing, advertisement and product launch

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1. Introduction

For competition and growth to be seen in an economy and business environment, launching a new products consistently into the different marketplace is very important because it is very important in increasing the size of a firm and organization. Launching a new product is not the critical factor; the most important factor is the success of the product in the open market (Amue and Adiele, 2012). The process of developing a new product and making it successful in the open market is not an easy feat because new product development is associated with several risk factors which come at different stages of development (Mansor et al., 2016). Due to the increase competitive nature of churning out new product, the life cycle of releasing new product has become shorten. The stages of developing a new product development (NPD) strategy are not as rigid or long as before because of intense competition in the market. The process of /new product development is a complicated stage by stage process which is made possible by specific industrial and workable knowledge to bring into existence products which are viable commercially and also bring about specialization in knowledge which enables organization to bring about advantages in competition compared to about competitor's product in the marketplace (Cross and Sivaloganathan, 2007). In the market where global competition is consistent and growth of firms depends mostly on the diversification of product, differentiation and innovation (Wu and Chang, 2013).

Going through the rigorous process to develop a new product is not the most important factor but creating a potent promotional strategy to sell the product is the most important factor. For a product to be viable in a market that's very competitive, sales enablement and promotion of the new product is as important as all developmental stages. The right blend of all promoting strategies like creating ads (adverts) and other promotional channels are very important towards a product launch. Without an effective and efficient promotion of a new product, the product might fail in a very competitive market (Koelher, 2013). When it comes to promoting a new product, it is important to put into consideration three key factors, the manufacturers, the advertising/promoting agencies or department and the marketing research supplied.

The aim of the study is to investigate the processes involved in developing a product in three companies from initiation stage to product launch stage. To compare the study model and models used by companies involved in the study, to understand the stages involved in new product development, to produce a framework which will be help in subsequent new product development processes, and to understand the place of lean method in new product development process.

2. Literature Review

2.1 Definition of New Product

Amue and Adiele (2012) defined new product to be the adding of anticipated features in certain products that will bring targeted benefits which is different from other product features and to solve certain problems which has not being dealt with. A new product is also a product new to the firm marketing it or a firm's marketing unit (Bellaveau et al., 2002). Unlike complex technological advancement, most new products are way simpler- new movies, fast food and new flavor of an existing yoghurt brand. New product is diverse, from cutting edge technological devices and gadgets to a new type of hand wash released by a firm. New products can be tangible goods or services (Crawford and Benedetto, 2013).

Booz et al (1982) defined new product in six different aspects. They categorized new product in the place of how they are to customers and to the manufacturing company. These are the various categories; (1) new to the world products are products which are new innovation and they are entirely new products. Example of such products are like the introduction of Android mobile devices, Apple iPods, Hewlett-Packards' laser printer, introduction of vacuum cleaners and many more. (2) New product which are new to a firm, these are new product a firm ventures into like a new manufacturing category. The products are not entirely new to the market or to the world but they are new to the firm. (3) Additions of existing product lines or extension lines. It is designed to flesh out the line as offered to the firm's current market. (4) Improvement and revisions to existing products or current products made better. Example include P&G ivory soap and Tide powder laundry detergent have been revised numerous times throughout their history, Unilever's Lux and Omo toilet soap and detergent respectively has been redesigned and repackaged numerous times in their history, the coke brand by Coca Cola bottling company has been repackaged, redesigned, rebottled numerous times in their history. It accounts twenty six percent of all new products. (5) Repositioning; these are products which their first use or application have been changed or repositioned to be used for something else. Example include Unilever Nigeria Vaseline which was initially a baby jelly but now has an adult cream brand, Arm and Hammer baking soda repositioned as a drain deodorant, refrigerator deodorant, aspirin repositioned as a safeguard against heart attack. It also include products retargeted to new users or new target markets, Marlboro cigarettes were repositioned from a woman's cigarette to a man's cigarette years ago. It accounts for seven percent of most new products in NPD. (6) Cost Reduction: These are new products which are used for replacement of old products in the product line. The features in both products (old and new) will be the same but the cost for purchase will be low. It can be seen as a new product in the place of design of producing it than the place of product promotion, marketing or advertising. It represents almost eleven percent of products which are newly produced.

2.2 New Product Development

Fain et al (2011) defined new product development to include several activities carried out by groups with different abilities, knowledge, elements, resources, competencies and cultures to bring a new product from initiation stage (idea generation) to market stage. Wu and Chang (2013) defined new product development as the stages and key success pathways or factors (KSF) a product go through from initiation to completion. They also discussed about key success factors and how they affect outcomes of new products. Bowen et al (1994) wrote that the process of new product development is an integral process in every manufacturing company and it constitute the point at which a firm finds a major boost to instigate change and also improve their competitive advantage. Marsh and Stock (2003) defined NPD as a constantly evolving process which is subject to constant revolutionary and innovative change, taking advantage of the capabilities imbedded in the firm for a new product to be produced. The new product is new, unique and peculiar and will satisfy the needs of the overly increasing marketplace.

2.3 Stages of New Product Development

Robert (2006) of Huffingtonpost wrote about 8 critical steps and processes to new product development and formation. He elaborated on Robert G. Cooper's Stage-gate innovation processes. The following steps or ingredients when mixed into the process of new product development will ensure quick and accurate development of a product. The steps include Idea generation or searching for ideas, idea screening, development and product testing, developing a market strategy, business analysis, development of product, test marketing and commercialization.

Idea generation is the search for new product ideas. It is the process of generating ideas in the company or production firm. The company has to generate many ideas in other to pick valid ones that can be worked on. Idea screening is the first evaluation of new product idea. It involves screening new product ideas in order to spot good ideas and drop poor ones as soon as possible. Development and testing is the process of seeking to gauge consumer reaction to the idea of a new product. Focus groups are used by large companies to get data about whether consumers would buy the product, how often they might buy and what price level is acceptable. Developing a Market Strategy involves mapping out designs of initial marketing strategy for the new product based on the concept of the product. Business

Analysis involves the analysis of the new product's viability in the market. The business analysis includes production costs and expected profit margins. Product Development calls for the actual creation of a product, such as a working model or running or a running a short term test with a new service. Test Marketing focuses on the new product prototype and the program designed for marketing and they tested in a realistic market setting (Mateja et al, 2010). Commercialization consist of making the product available to the customers base at large and launching a marketing effort to support it (Robert, 2006).

2.4. Promotion of New Product

Promotion is a tool that is used by retailers, manufacturers, producing firms and new product developers to invite consumers to purchase more or try out a service or product. The postulated result of the promotion is the use of high quantity stock which involves the use of many new customers and can help in making more increase in sales (Meo et al, 2014). Chaharsoughl and Jamia (2011) defined promotions as one of the key factors in the marketing mix and have a key role in the market success of a new product. Promotion is used to ensure that consumers are aware of the products that the organization is offering.

In order to develop an effective marketing or promotional strategy, Zhang (2015) discussed about the organization brand or the manufacturer brand image and relation to consumer behavior to the brand. A brand stimulates consumer's general perception and feeling about a new product and its influence on consumer behavior. The main idea or purpose of promoting or marketing is to influence consumer perception and attitudes towards a brand. In doing that, they increase sales, maximize the market share and developing brand equity.

Promotion can be carried out using these different tools or forms and they include;

- Sales promotion – Sales promotion is an action focused marketing events where the purpose is to have direct impact on the behavior of the customer of the firm. Sales promotion is made up of consumer promotion, retailer promotions and trade promotion.
- Advertising – Advertising is impersonal communication of information about products, services or idea through the various media. It can be persuasive by nature and paid by identified sponsors (Svetlana, 2014). Advertising is a subtle strategy of communicating information for promoting, alluring and convincing people to act accordingly and as expectedly to achieve satisfying results in form of generation of sale of ideas, goods, services and/or events.
- Personal selling – Personal selling as one of the oldest form used in promoting a product or service. It explains the situation whereby a seller or representatives of a firm gives an oral presentation in a conversation mode with one or more buyers for the sole purpose of making sales (Adefulu 2016). It is also a two way flow of communication between the seller and the buyer which happens most times in a face to face encounter which is arranged in a way to influence the buyer to make a purchase decision (Kotler and Armstrong, 2008).
- Public relation (PR) – Kotler and Armstrong (2008) opined that it involves managing a company's reputation in the eyes of the customer and the process of selling the company's image to the diverse public. In product promotion, public relation involves giving a brand to the product which is being promoted. It helps the public to adapt to a new product which is being released. It creates a mutual environment between an organization and the public.

3. Stage Gate Model for New Product Development

The stage-gate model of new product development is one of the famous and well known models. Cooper and Edgett (2006) defined stage-gate process as a concept and a model used in operation which is applied in taking a novel product from the place of generating new ideas to the point by which the product is launched. The template is blue print for managing the process of producing new product to improve efficiency and effectiveness.



Figure 1. Stage – gate process (Source: Cooper (2006)).

According to figure 1 above, stage gate process has 5 stages and 5 gates. From idea generation to production and market launch. In between the stages, there are gates which move from initial screening to post implementation review.

The innovation process in stage-gate process is broken down into systems, which one of them called is called stages and the other process is called gates. A stage is filled with well written down activities which are parallel and are interwoven. Cooper (2001) opined that the entrance to the different stage is the process is called a gate and they act as the points used in controlling and carrying out check and balances. They also act as a place for quality control and go/kill check points.

3.1 Stages in Stage-Gate Model of NPD

Stage 1: Idea Generation/ Discovery Stage

The discovery stage is the pre-work designed to uncover opportunities and generate new product. It is called the idea-generation stage. Mahmutlari (2014) opined that idea generation is the process of generating ideas and concepts which can be adopted to generate or develop a product. The concept of idea generation is a key aspect of product development.

Cooper et al (2002) opined that the making or breaking of a project solely depends on the uniqueness and quality of the new product idea. Cooper et al (2002) further wrote that idea is the feedstock to the new product process. When there is shortage of quality ideas, don't expect a well-oiled out new product process. A new product will not get to stardom, if the initial idea/ discovery stage is uninteresting or just regular.

Idea generation can be gotten through VOC, camping out with customers, using lead-user, surveying, pyramiding and netnography.

Stage 2: Preliminary Investigation or Scoping

Cooper and Edgett (2006) defined scoping as the process of taking a quick look and investigating the project or the NPD. The stage is carried out by few members of the marketing and technical staffs. The various process involved in the stage are preliminary market assessment, preliminary technical assessment and preliminary business assessment. Mahmutlari (2014) went on to address the three stages of scoping and they include;

- Preliminary market assessment – During this stage, the project developers carry out a quick research and analysis of the intended market potential of the product is carried out.
- Preliminary technical assessment – This stage is focused on the conceptual assessment and the technical feasibility, manufacturing process assessment, intellectual properties and technical analysis.
- Preliminary financial and business assessment – In this stage, a check of business rationale and the finance involved is done. The information gathered from the two different assessments above will provide the ground to justify the elimination and acceptance of the project.

Stage 3: Detailed Investigation

Cooper and Edgett (2006) defined the stage as a point of detailed homework leading to product development. It is last stage of product predevelopment and it entails market research, detailed technical and manufacturing assessment and detailed financial and business analysis.

- Market research – it focuses on the study of what the user needs and want to see in the product and also to investigate the basic requirement needed for the product that is to be developed (Mahmutlari, 2014).

- Competitive analysis and market analysis are also in this stage. Competitive analysis investigates the competition that is present in the market, check the strength and weakness and also analyze price and business models for a product to succeed, the product should provide much more in customer value and satisfaction than its competition.
- Detailed technical assessment deals with mapping out technical solutions and defines the risks which the product may eventually face. Concept test is seen in this stage. Mahmutlari (2014) opined that concept test helps to prove the interest of the customer and to add the final component of the concept. Manufacturability, suppliers and intellectual properties are analyzed in this stage. Cooper and Edgett (2006) deduced that the personnel in the marketing department and also in the technical and core manufacturing department. The result gotten from stage two is a product with a certain level of definition which consists of target market, product concept, benefits and requirements, a business just feature and a well-established plan of action for the next stage.

Stage 4: Development

Cooper (2000) defined development as the design which is in a detailed format and the actual development of the new product. It also consists of the detailed plan and strategy of the production process which will be drawn out by management. Cooper and Edgett (2006) opined that the development of the product is implemented in this stage. A product which acts as a sample will be developed and also undergoes testing which will be done in-house and other form of testing using a limited number of customers. In development, R&D team start developing the concept into a physical product and its vital to seek customer feedback and input continuously (Mahmutlari, 2014).

Stage 5: Testing and Validation

The testing and verification of the new product which has been produced will be conducted. In-house testing is done extensively, marketplace customer trials, marketing trials and tests.

Mahmutlari (2014) gave examples of tests that can be carried out for validation.

- Preference test – This test measures the market acceptance of the product. A finalized product is presented and customers will be checked for preference. The eventual message that is gotten using the preference test is a valuable source of information that will determine how the product should be communicated to the customer.
- Beta testing – This testing is carried out for a longer period of time and includes the customers and partners. The product is loaned to a customer who will use it in the working space. The product is displayed in a real working environment; the display helps in defining the strength and weakness of the product. During Beta testing, all features of the product, benefits and functions are tested. The feedbacks and responses from the customer is a valuable marketing material which can be used when launching the product.
- Marketing testing – It is the final stage of testing and it is done before the product is launched. The testing is an optional test and can be utilized to test the launch strategy and the marketing plan in a limited market.

Stage 6: Full Production and Market Launch

This is the stage where full production of the new products is carried out and also selling of the products commercially. The marketing launch plans are implemented in this stage. Other plans include the prod; POP action plan of the company and the activities in the post launch, monitoring of the progress of the product and adjustments.

- Marketing launch plan/strategy – Market launch is the introduction of the product into the market. The main intent of marketing is to create value for the customer and ensure a profitable relationship. The market launch plan defines the targeted customer base and how it will be served to the customer base (Mahmutlari, 2014). The customer group is defined based on segmentation and targeting while the way by which the company will serve its customers come via differentiation and positioning (Kotler, et al 2013).
- Segmentation consist of a group of customers which have similar needs and respond very similarly to the marketing activities while targeting involves the analyzing of each market and selecting one or more segment as potential customers. Positioning is the place where the companies reside in the customer's mind to distinguish their products from that of other competitors.

3.2 Gates in Stage-Gate NPD Process

According to Cooper and Edgett (2006), gates are important keys to the success of a new product process. Gates serve as checkpoints for quality control, where quality of execution is the focus, Gates also serve as a Go/Kill and prioritization decision points. They provide the process of funneling of projects. At this point, mediocre projects are

ejected out at each successive gate. They also serve as the points which act as an entry point into another part or stage of the process is decided, which follows when management commit resources to the furtherance of a particular stage.

Gate 1: Idea Screen

Cooper (2000) calls it a gentle screen. It is the first decision to commit resource to the project. It is the point where the project is birthed. At this gate, the proposed project is subjected through a number of qualitative criteria such as alignment of different strategies, the feasibility of the project, magnitude of opportunity, the attractiveness of the different market, specific features which gives the product competitive advantage, taking advantage of the resources provided by the firm and knowing how the idea fit into the company's policies.

Gate 2: Second Screen

Gate 2 is a more rigorous gate of screening than gate one. It is the gate that takes the project from the scoping stage to stage 2. There is a re-evaluation of the project based on new data obtained in the scoping stage (stage 1). If a go ahead is the decision given, the project moves into a more cumbersome stage. Financial return is accessed in this gate too.

Gate 3: Go to Development

Go to development is the gate, the last gate where conceived product development can be stopped or killed before the management team moves the project into the stage where so much financial resources will be done (development stage). Gate 3 involves critical checking of all the various activities which are being carried out in stage 2. It also involves doing a detailed check of all the necessary activities which should be done in the stage is executed soundly and to know if the results gathered were positive.

Gate 4: Go to Testing

The other name given to this gate is post development review and it is the point where the checking of the progress of the product is done. At this gate, the attractiveness of the developed product is checked and the project in general is checked too. There is also a review and checking the development work of the product to ensure that the product is done and completed in a quality fashion.

Gate 5: Go to Launch

Gate 5 is the stop gate or final gate in the NPD process and it opens the box to full commercialization which includes launching into the market and full production of the new product which has underwent various stages of development. The project can be killed at this point, but the killing of the project is detrimental because of the amount of funds which has been injected into it. This gate is used to review the work carried out in the previous stage of testing and validation of the new product.

3.3 Critical Success Factors in New Product Development

Wu and Chang (2013) defined key/ critical success factors are the things that must be rightly integrated factors for business to flourish and for managers' goals to be attained. The success factors include;

- Seek Differentiated And Superior Products
- Up-Front Homework
- Build-In the Voice of the Customer
- Demand Sharp, Stable and Early Product Definition
- Plan and Resource The Market Launch Early In The Game
- Build Tough Go/Kill Decision Points Into Your Process
- Organize Around True Cross-Functional Project Teams
- Attack from A Position of Strength
- Build An International Orientation Into Your New-Product Process
- The Role Of Top Management Is Central To Success

4. Research Approach, Methods and Analysis

4.1 Method

The Stage-gate process will be used to compare the result gotten from the interview carried out. It is a qualitative research where collection of the data is based on structured interview while in-depth comparison of results with other production companies using Stage-Gate model will be carried out. The structured interview will be carried out on the R&D team, management team, production team and all the teams involved in the production process from initiation to completion.

4.2 Research Analysis

4.2.1 Company X

Company X is a soap/ detergent manufacturing firm. The company is a household name when it comes to manufacturing of toilet soaps, detergents and toiletries in Nigeria. The company is labeled X for the protection of the company and for the sake of secrecy. The company wanted to be left anonymous. Company X was founded in 2003 in Lagos, Nigeria as a company that produces household consumer goods. Company X is a value and consumer based firm which gives total consideration to constant research and development. With the constant increase in mechanization in production processes, Company X has been a pioneer in using new technologies to boost production processes and increase in the volume of production.

Idea Generation Process

Based on the result gotten from the structured interview with personnel from R&D and management team of company X, it was found out that 70% of the ideas which are initiated into new product comes from constant interactions with consumers either through customer care interactions, face-to-face, interactions, end-user process and most times through social media interactions using social media handles like Facebook, Twitter and Instagram. The remaining 30% is through direct customer request and other form of research.

For instance, a recent development to an already launch new product was redesigned based on the interactions with consumers. The R&D and management team uses the place of customer visit to know direct consumer needs and device methods on how to compliment it. Based on the result of the structured interview, lead user customer visit is the main source for new product idea generation.

In company X, the last form of idea generation is the case used consistently. Lead-user customer visit is a form of using voice of the customer (VOC) but in this case, the company works with customers with innovative minds or ideas. Other forms of idea generation processes are also used but the lead user approach of VOC has been used by company X consistently through the years.

Scoping and Developing a Business Strategy

From the answers gotten from the interview, the initial preliminary assessments are carried out when evaluation of ideas are done. Company X R&D and management team always have the prerequisite knowledge to undertake all preliminary assessment in scoping. Based on the answers gotten, preliminary and detailed assessments of various important variables are carried out at the same time which is before the development phase. From the results gathered from the interview, Company X uses a dynamic system to build a consistent business case. The company conducts a user needs and want study on a consistent basis because most times the studies are use in developing future similar products. There is also the place of monitoring the products that are being developed by other competition. New product ideas are also gotten when the competitions' products are analyzed and better products are done to beat the competition. Based on the result gathered, Company X also carries out preliminary and in-depth market analysis and survey before products goes into development stages.

Testing and Development

Based on the answers gotten from the interview, Company X already has an efficient and well tested product test process. The preference and market testing methods are the main choice of testing process being used in Company X. Testing with selected customers was seen in the theoretical aspect of our study. Small scale testing is also used with reliable customers for the process of product secrecy and the competition.

In product development, Company X is a detailed user of stage-gate product development process. There is an in-house testing, technical assessment study and feasibility study.

Product Launch Process

The process of product launch is the stage whereby the new product is introduced into the market. Company X has exiting strategies they use in product launch which is most alike to the theoretical analysis analyzed.

In Company X, the marketing of any new product starts from the first stage of the product development process in creating a marketing plan, the use of the marketing mix which includes the 4p in the marketing mix and they are price, product, place and promotion.

In designing a new product in Company X, the management and R&D team always put these factors into consideration;

- The price of the product
- The ease of using the product
- Savings the product can bring
- Simplicity of the product
- The design and quality of the product
- Safety

Since most of the ideas use in generating new product in Company X is from customer insight, the R&D and management of Company X gather the information gotten from their reliable customers to develop a market strategy which is consistent with the marketing mix. The target customers are also necessary when marketing a new product which depends on the product being marketed. Since Company X is a soap and detergent producing firm, its target customer base is everybody. Since Company X is already a growing household name in the soap industry, it will not be difficult to market the new product.

From the result gotten from the interview with members of the production team of Company X, the price of the new product is gotten after detailed market analysis. Most times, the price of product of competition is very relevant when putting a price on products because the Nigerian market is a sophisticated market where price of commodities is very essential. Firms are easily prone to lose their customer base if there is a slight increase in price of product compared to what is obtainable from other competition. From another point of view, Nigerians can be luxurious in nature because they attach quality of a product based on the price attached to it. Company X gives prices to their new product based on these factors;

- Price of manufacturing the new product
- Profit to be gain from the product after tax and tariffs
- Competitors' product price
- Evaluation of economic situation

The author reviewed channels that are recommended for a successful product launch based on the results gathered from the theoretical review of the marketing mix which is the promotion aspect.

Table 1. Recommended Promotion Channels for Company X's Product Launch

Promotion Channels	Status	Need to	Importance
Trade show	Applied	To maintain	Very high
Sales visit	Applied	To maintain	High
Press kit	Partly applied	To intensify	High
Online advertisement	Applied	To maintain	Very high
Road show	Applied	To maintain	Very high
Print advertisement	Applied	To maintain	Very high
Trade speech	Not applied	To consider	High
Press release	Partly applied	To intensify	High
Social media	Applied	To maintain	Very high
Email marketing	Applied	To maintain	High
Electronic advertisement	Applied	To maintain	Very High

From table 1, the author tries to understand the favored promotion channels that are being employed by company X. Trade show, road show, social media, online advertisement are the most consistently used by company X. From the

interview, the author gathered that in this era of social media tools especially Facebook, Instagram and Twitter are the most preferred use by Company X. Most companies in Nigeria invest so much in social media promotion because most Nigerians are always on social media and the use of the social tool is cost effective.

Road show in markets and public places using flyers (print advertisement) and giving out promotional packages. The use of road show is a very effective tool use by many firms in Nigeria including Company X to promote and even make sales at the spot. Road shows most times comes with limited cut price packages.

Electronic advertisement is also a promotional medium used by Company X to promote their product. The paid use of radio stations which is so rampant in Nigeria and Television stations to advertise is prominent. The use electronic billboards are used mostly during the initial time of launch. Because it is expensive, electronic billboards are seldom use by Company X.

Other forms of print advertisement used by Company X is daily Newspaper outlet, magazines, print billboards are used by Company X.

4.2.2 Company Y

Company Y is a fruit juice manufacturing firm. It is an emerging and a very competitive name in the Nigeria food industry. Company Y offers very variety of fruit juice from orange, apple, pineapple and many more fruit juice which can be seen in combination and whole. Company Y was founded in 2010 in Lagos state but has its major producing plant and farms in Ogun state, Nigeria.

Idea Generation Process

Based on the result gotten from the structured interview with personnel from R&D and management team of Company Y, it was found out that 50% of the ideas which are initiated into new product comes from constant interactions with consumers either through customer care interactions, face-to-face interactions and most times through social media interactions using social media handles like Facebook, Twitter and Instagram. The remaining 50% are gotten based on continue innovation in the R&D and management team and checking out the product brands that are consistent with their competition in the fruit juice industry.

The R&D and management team uses the place of customer visit to know direct consumer needs and device methods on how to complement their product to fit into the need of the customers. Based on the result of the structured interview, VOC of the customer, R&D innovation and competition product is the best way used by Company Y to generate new product ideas.

Another way which is use by Company Y to generate ideas is the use of analyzing customers' problems and reviews it when analyzing customer needs.

Scoping and Developing a Business Strategy

From the answers gotten from the interview, the initial preliminary assessments are carried out when evaluation of ideas are done. Company Y R&D and management team already have the knowledge to undertake all preliminary assessment in scoping. Based on the answers gotten, preliminary and detailed assessments of various important variables are carried out at the same time which is before the development phase. According to the theoretical model, Company Y is using the lean approach in their stage-gate processes. In the lean approach, some aspect of the stages in the model is merged with other aspects for quicker production process and cutting in cost of production. In Company Y the lean approach is used when integrating scoping and detailed assessment before the product development stage.

Company Y is a company which produces all their products from initial stage (idea generation), technical assessments are always conducted. From the answers gathered from the interview, Company Y uses a dynamic system to build a consistent business case. The company conducts a user needs and want study on a consistent basis because most times the studies are use in developing future similar products. There is also the place of monitoring the products that are being developed by other competition. New product ideas are also gotten when the competitions' products are analyzed and better products are done to beat the competition. Based on the result gathered, Company Y also carries out preliminary and in-depth market analysis and survey before products goes into development stages.

Testing and Development

From the result gotten from the interview, Company Y already has an efficient and well tested product development and test process. The preference and market testing methods are the main choice of testing process being used in Company Y. Testing with selected customers was seen in the theoretical aspect of our study. Small scale testing is also used with reliable customers for the process of product secrecy and the competition. In preference test, the

company uses the consumer visit process we analyze in the idea generation process. Loyal customers are used to test any new product produce by the company and get feedbacks from them.

In product development, Company Y uses of stage-gate product development process. There is an in-house testing, technical assessment study and feasibility study.

Product Launch Process

In Company Y, the marketing of any new product starts from the first stage of the product development process in creating a marketing plan. The 4ps of the marketing mix are always considered in the product launch process.

In designing a new product in Company Y, the management and R&D team always put these factors into consideration which are the price of the product which is the number one factor to be considered in the marketing mix, the peculiarity of the product taste is also considered because of the number of juice industries in Nigeria. The uniqueness and the peculiarity of the taste differentiates Company Y's product from others and it is particular in branding. In Nigeria, the uniqueness of the taste of a food attracts and keeps consumers of the product. Savings the product can bring to the consumer and the Company Y, simplicity of the product, the design and quality of the product and safety assurance.

Since some of the ideas use in generating new product in Company Y is from customer insight, the R&D and management of Company Y gather the information gotten from their reliable customers to develop a market strategy which is consistent with the marketing mix. The target customers are always put into consideration when marketing a new product which depends on the product being marketed.

From the result gotten from the interview with members of the production team of Company Y, the price of the new product is gotten after detailed market analysis. Most times, the price of product of competition is very relevant when putting a price on products because the Nigerian market is a sophisticated market where price of commodities is very essential. Firms are easily prone to lose their customer base if there is a slight increase in price of product compared to what is obtainable from other competition. From another point of view, Nigerians can be luxurious in nature because they attach quality of a product based on the price attach to it. Company Y gives prices to their new product based on these factors; price of manufacturing the new product, profit to be gain from the product after tax and tariffs, competitors' product price and evaluation of economic situation

The author reviewed channels that are recommended for a successful product launch based on the results gathered from the theoretical review of the marketing mix which is the promotion aspect.

Table 2. Promotion Channels of Company Y

Promotion Channels	Status	Need to	Importance
Trade show	Partly applied	To intensify	Very high
Sales visit	Applied	To maintain	High
Press kit	Not applied	To consider	High
Online advertisement	Applied	To maintain	Very high
Road show	Applied	To maintain	Very high
Print advertisement	Applied	To maintain	Very high
Trade speech	Partly applied	To Intensify	High
Press release	Partly applied	To intensify	High
Social media	Applied	To maintain	Very high
Email marketing	Not Applied	To consider	High
Electronic advertisement	Applied	To maintain	Very High

In table 2 above that shows the analysis of various promotional channels used by Company Y. Online advertisement is a prominent feature used by Company Y in promoting their product. One of the consistent forms of online mode used is the use of social media channels in promoting. The use of Facebook, Instagram, Twitter, Google + and other times Linked is always taken advantage of by Company Y. In Company Y, according to the result gotten from the interview, almost 50% of funds allocated to promotion and advertisement is taken by online advertisement, especially social media channels because of the consistent results which have been seen in using the channel over the years.

4.2.3 Company Z

Company Z is a bread manufacturing company located at the Island phase of Lagos state, Nigeria Unlike Company X and Y, Company Z is not a national company yet because it is strategically to provide service to a limited amount of people in the Lagos Island axis of Lagos state and recently, Company Z has moved into other part of Lagos state. Company Z was founded in 2013 and it is located in Lagos state Nigeria. It produces bread of different forms and cakes for domestic consumption and for events.

Idea Generation Process

Based on the result gotten from the structured interview with personnel from R&D and management team of Company Z, it was found out that 80% of the ideas which are initiated into new product come from the intuition and research from the development team of Company Z. The evolution and provision of certain new products from Company Z boils down to the innovative mind of the owner of the company and the development team employed to consistently bring initiative for new product. The remaining 20% are from the interaction with trusted and consistent customers of the brand and consistent following of the product released by the surrounding competition.

The R&D and management team uses the place of customer visit/ luncheon to know direct consumer needs and device methods on how to compliment their product to fit into the need of the customers. Based on the result of the structured interview, VOC of the customer, R&D innovation and competition product is the best way used by Company Z to generate new product ideas.

Based on the literature review and stage-gate idea generation process, Cooper et al (2020) gave three ways by which idea generation can be achieved and they are VOC (voice of customer), camping out with customers and consumer visit.

In Company Z, the last form of idea generation is the case used consistently. Consumer visit is a form of using voice of the customer (Voc) but in this case, the company invites customers for visitation and they discuss and share ideas. Other forms of idea generation processes are also used but the consumer visit approach of VOC has been used by Company Z consistently through the years. Company Z believes that the use of selected consumers who comes for consumer visit is critical because if customer loyalty. The business if production of bread and cakes is becoming one of the fiercely competitive markets in the Nigeria domestic space. Many brands with innovative style come up with ideas on a daily basis to beat the competition and attract customers. The R&D department of Company Z consistently learn, interact and seek new ways to provide value added services for their ever growing customers.

Another way which is use by Company Z to generate ideas is the use of analyzing customers' problems and review it when analyzing customer needs. Company Y analyses the exiting solution to the customers' problem which is often a competitor's product and improve on the existing solution.

Scoping and Developing a Business Strategy

In the theoretical review of stage-gate model, it was found out that three assessments were done before the product development phase. In preliminary investigation (scoping) and detailed investigation, preliminary market assessment, preliminary technical assessment and preliminary financial and business assessment are put into consideration.

From the answers gotten from the interview, the initial preliminary assessments are carried out when evaluation of ideas are done. Company Z R&D and management team already have the knowledge to undertake all preliminary assessment in scoping. Based on the answers gotten, preliminary and detailed assessments of various important variables are carried out at the same time which is before the development phase. According to the theoretical model in use there is the lean approach to stage-gate process. In the lean approach, some aspect of the stages in the model is merged with other aspects for quicker production process and cutting in cost of production. In Company Z the lean approach is used when integrating scoping and detailed assessment before the product development stage.

Company Z is a company which produces all their products from initial stage (idea generation), technical assessments are always conducted. From the answers gathered from the interview, Company Z uses a dynamic system to build a consistent business case. The company conducts a user needs and want study on a consistent basis because most times the studies are use in developing future similar products. There is also the place of monitoring the products that are being developed by other competition. New product ideas are also gotten when the competitions' products are analyzed and better products are done to beat the competition. Based on the result gathered, Company Z also carry out preliminary and in-depth market analysis and survey before products goes into development stages.

Testing and Development

From the result gotten from the interview, Company Z already has an efficient and well tested product development and test process. The preference and in house testing methods are the main choice of testing process being used in

Company Z. Testing with selected customers was seen in the theoretical aspect of our study. Small scale testing is also used with reliable customers for the process of product secrecy and the competition. In preference test, the company uses the consumer visit in the idea generation process. Loyal customers are used to test any new product produce by the company and get feedbacks from them.

In product development, Company Z uses of stage-gate product development process. There is an in-house testing, technical assessment study and feasibility study.

Product Launch Process

In the process of product launch, new products are introduced into the market. From the results gathered from the interview, Company Z already has consistent existing strategies they use in product launch which is most alike to the theoretical analysis we analyzed.

In Company Z, the marketing of any new product starts from the first stage of the product development process in creating a marketing plan. The 4ps of the marketing mix are always considered in the product launch process.

In designing a new product in Company Z, the management and R&D team always put these factors into consideration which are the price of the product which is the number one factor to be considered in the marketing mix, the peculiarity of the product taste, the texture and mouth feel are also considered because of the number of bread producing industries in Nigeria. The uniqueness and the peculiarity of the taste differentiates Company Z's product from others and it is particular in branding. In Nigeria, the uniqueness of the taste of a food attracts and keeps consumers of the product. Savings the product can bring to the consumer and the Company Z, simplicity of the product, the design and quality of the product, packaging and safety assurance.

Since some of the ideas use in generating new product in Company Z is from the company's innovation, the R&D and management of Company Z gather the information gotten from deep and consistent research on how to provide and produce product that are healthy and sometimes customize. Company Z provides customization of products based on request from certain customers. The target customers are always put into consideration when marketing a new product which depends on the product being marketed. Company Z is a bread and cake manufacturing firm which has an unlimited target base. Since Company Z is just few years old in the bread manufacturing industry but it consistency in the place of promotion and building her brand is commendable.

From the result gotten from the interview with members of the production team of Company Z, the price of the new product is gotten after detailed market analysis. Most times, the price of product of competition is very relevant when putting a price on products because the Nigerian market is a sophisticated market where price of commodities is very essential. Firms are easily prone to lose their customer base if there is a slight increase in price of product compared to what is obtainable from other competition. From another point of view, Nigerians can be luxurious in nature because they attach quality of a product based on the price attach to it. Company Z gives prices to their new product based on these factors;

- Price of manufacturing the new product
- Profit to be gain from the product after tax and tariffs
- Competitors' product price
- Evaluation of economic situation

The author reviewed channels that are recommended for a successful product launch based on the results gathered from the theoretical review of the marketing mix which is the promotion aspect.

In the table below shows the analysis of various promotional channels used by Company Z. Online advertisement is a prominent feature used by Company Z in promoting their product. One of the consistent forms of online mode used is the use of social media channels in promoting. The use of Facebook, Instagram and other forms are always taken advantage of by Company Z. In Company Z, according to the result gotten from the interview, almost 70% of funds allocated to promotion and advertisement is taken by online advertisement, especially social media channels because of the consistent results which have been seen in using the channel over the years.

Table 3. Promotion Channels of Company Z

Promotion Channels	Status	Need to	Importance
Trade show	Not applied	To consider	Very high
Sales visit	Applied	To maintain	High
Press kit	Not applied	To consider	High
Online advertisement	Applied	To maintain	Very high
Road show	Applied	To maintain	Very high
Print advertisement	Applied	To maintain	Very high
Trade speech	Not applied	To consider	High
Press release	Not applied	To consider	High
Social media	Applied	To maintain	Very high
Email marketing	Not Applied	To consider	High
Electronic advertisement	Partly applied	To intensify	Very High

5. Conclusion

In idea generation, consumer's need and preference are always put into consideration when developing a product. For Company X, it was found out that more than 70% of the general ideas used in production are gotten based on interaction between the R&D team and faithful customers. Company X also implements the place gates where several ideas are being analyzed and the best ideas will be chosen. Customer integration and participation is a very useful tool which is used by Company X from idea generation to testing and development and product launch.

Comparing Company X to other soap and household items production company like Colgate-Palmolive and Dalan Kimya, it was noticed that, Company X uses international standards in their production and NPD processes. The choice of fragrance, ingredients, chemical elements, production formula and all developmental process used in production. In product launch process, Company X makes use of trade show, sales visit, online advertisement, electronic advertisement and print advertisement in product promotion. The use of social media has become one of the most important tools used by Company X in the place of marketing and promoting their new product.

Just like Company X, Company Y is a new generation manufacturing firm which focuses on interaction with consumers through various platforms to understand their preference and need in the formulation of new products. Consumer visits and brand tasting are used by management team in getting ideas and make improvement in already implemented ideas. The stage gate process is fully implemented by Company Y in their new product development process. Lean stage-gate process is also used in the place of bringing the scoping and business strategy development stage into one stage for the conservation of time and resources. The lean process is also seen in product development and testing.

In product launch process and eventual promotion, Company Y uses sales visit, online and print advertisement, social media and electronic marketing for promotion. In comparison with other international food production companies like Fison, Company Y fared good even though there were loopholes and places for improvement especially in product development stage to meet international standards.

Table 4. Summary of NPD Stages for Company X, Y and Z.

Stages	Company X	Company Y	Company Z
Idea generation	70% of ideas comes from VOC which includes end user process, face to face interactions and from social media. R&D comes up with the other 20%	50% of ideas come from VOC while the plans for idea generation comes from competition, in-depth research from R&D	search from R&D department and management. Other means of idea generation are from interaction with customers and surrounding competition.
Scoping	Business analysis, user need and want study, studying the competition, in-depth market analysis and survey.	Business analysis approach in business analysis. Market analysis and survey	Business analysis, user need and want study, studying the competition, in-depth market analysis and survey.
Testing and development	Preference and market testing, in-house testing, technical assessment study and feasibility study	In-house testing, beta testing, partial customer test, feasibility study and technical assessment study	Preference and market testing, in-house testing, technical assessment study and feasibility study
Product launch process	Structured marketing plans, checking out the marketing mix especially price, place and promotion. Online, print and electronic advertisement is strongly used, including road show and social media	Structured marketing plans, checking out the marketing mix especially price, place and promotion. Online, print and electronic advertisement is strongly used, including road show and social media	Structured marketing plans, checking out the marketing mix especially price, place and promotion. Online, print and electronic advertisement is strongly used, including road show and social media

Based on the model carefully explained in the literature, the author found out that in table 7 70% of ideas used in Company X comes from VOC while 50% can be seen in Company Y. In Company Z most of their ideas are gotten from the research carried out by R&D. Other sources of new product ideas according to the table were source from end user process, face to face interactions and from social media, product released by the competition. Based on the findings gotten from the table, Company X, Y and Z used idea generation processes discussed in the literature.

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