



NEW PRODUCT LAUNCH STRATEGIES AND ORGANIZATIONAL BRAND AWARENESS: SURVEY OF SKOL LAGER LAUNCH IN SKOL BREWERY COMPANY LTD

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Abstract:

Promoting new product and its benefits encourage the consumers to try a sample, and branding is a popular subject that has a substantial volume of work done by academics as well as the researchers on new product launch and brand awareness. Brands are more powerful in terms of falsifying relationship with customers. Brand awareness is created through presentation of brands to clients which in turn develop incentives like a reply from them, and they are able to relate, recognize, recall and be on the whole aware of brands. A new product could be highly innovative, incorporating advanced technologies that render them superior to competitive products, but still fail due to a poor launch. The study evaluated the effect of new product launch strategies play on an organizational brand awareness; SKOL Lager product Launch of SKOL Brewery Ltd. The sample size was 121 respondents with simple randomly sampling technique; questionnaire was used as data collection instrument. The results presented that there is a significant and strong correlation between marketing concern strategy and Brand Awareness as Pearson correlation is 0.682**; Organization concern and Brand Awareness of SKOL Brewery Company Ltd showed Pearson correlation of 0.780**; strategic concern and Brand Awareness of SKOL Brewery Company Ltd as Pearson correlation showed .825**; while strategies of New product launch and Brand Awareness of SKOL Brewery Company Ltd as Pearson correlation was 0.846** with p-value is 0.000 less than standard significance levels of 0.01.

Key Words: New Product Launch, Strategies, Organizational, Brand Awareness

Introduction:

To create awareness, develop a brand image, and increase sales in a brand proliferated business world, companies need to invest more heavily in marketing communication. In several studies, advertising expenditures are considered as indicators to underline the relationship between brand value and economic growth (2). The economic growth leads companies to spend more on advertising and more advertising expenditure leads to higher economic growth. In sub-Sahara Africa, companies' new products increase their awareness in the marketplace amongst consumers through a number of new different strategies employing as well as traditional media. They based on advertising and promoting product using methods on market which are expensive to manage new products (3). New launch techniques are innovatively employed by businesses to introduce new brands into marketplace in which consumers on market can relate more effectively and reducing the overall costs incurred. Unfortunately, many new products fail, and the failure rate become high more than 50 percent of the launched products (4). The type of launching strategy employed, is one of the key determinants of new product success. A new product could be highly innovative, incorporating advanced technologies that render them superior to competitive products, but still fail due to a poor launch. It is possible that application of commonly held appropriate launch strategies for networking effects products, and damaging the marketplace performance of such products (5). In Rwanda, efforts to reduce trade deficit gap have gained momentum following the launch of campaign to market a Made in Rwanda products (6). Before you create a favorable impression and persuade buying, targeted customers, you must realize that the brand exists. Promoting new product and its benefits encourage consumers to try a sample. Branding is a popular subject that has a substantial volume of work done by academics as well as the researchers on new product launch and brand awareness. Brands are more powerful in terms of falsifying relationship with customers (7). The brand awareness has turned into an important variable that impacts customer's perceptions of a brand. Achievement in brand management arises from understanding and overseeing brand image and loyalty correctly to create strong characteristics that impact consumers when making on their decisions (9). The theory of new product development and its applications. A product which can be a physical object or a service should be functional and emotional to satisfy the customer's need, and to offer value, be delivered as the way customer demanded (10).

Objectives of the Study:

To assess the effect of new product launch strategies on brand awareness in Rwanda. This study has the following specific objectives:

- To assess the strategies used by SKOL Brewery Company Ltd for launching new SKOL Lager product on Rwanda Market
- To examine the extent of brand awareness of SKOL Lager in Rwanda
- To establish the relationship between new product launch strategies and brand awareness of SKOL Lager in Rwanda.

New Product Launch:

A product is one of the most critical responsibilities managers' faces (12). To create a new product, companies need to integrate new product strategy with their corporate strategy of firm (13). Launching new products on the market often has costly marketing entry costs. The consequences are in four out of five products fail before they reach on market. To increase efficiency, business can look into their core competences and find what they already have or look into what the company previously rejected (14).

Brand Awareness:

Brand awareness is a level of customer awareness of a business. It events a potential client's ability to not only know a brand image, but also subordinate it with a certain business's product or service. It is greatest spread through both inbound and outbound marketing efforts. When consumers are aware of the product a company offers, they more likely go straight to that company if they need that product, instead of investigating other places (16).

Common Characteristics of Successful Brands:

Strategic branding is the only way to give business group a distinct voice and formulate a value proposal. Then, creating a desired perception of business in other people's minds, you need to engage in some research, planning and sublime execution (17). Brand equity is valuing a product receives from having a well-known brand, or high level of brand awareness. Brand equity is a competitive advantage that results in higher sales, higher revenues, and lower costs (18). Brands with this competitive advantage might enjoy higher revenues as customers pay more for their product than others, as well as having a larger customer base (19). Marketing goals are specific objectives labeled in a promotion plan. These goals can be tasks, quotas, improvements in key presentation indicators (KPIs), or other performance-based benchmarks used to measure marketing success. When explicitly set, measurable goals are key for marketers to be successful (20).

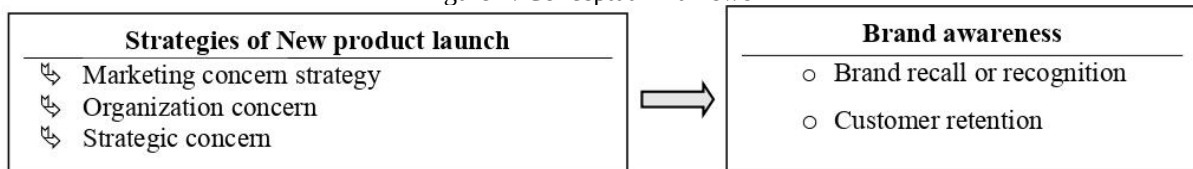
New Product Development Process:

Idea generation and screening are methodical hunt new ideas and then reducing the number of ideas to spot the good ones. Ideas may come from many different sources, it contains internal sources such as traditional research and development department and employees, and external sources. Concept development and testing, marketers essential to exemplify the detail of ideas to state in meaningful consumer terms, develop the idea into alternative product concepts and determine most attractive concept to customers. The selected concept needs to be tested with some target consumers before further development. Marketing strategy development, consumer purchase behaviors are influenced strongly by cultural, social, personal, and psychological characteristics. Thus, marketers need to research the internal and external marketing environments before designing initial marketing strategy for a new product (Kotler & Armstrong, 2011).

Conceptual Framework:

Conceptual framework is a mental image that symbolizes an idea, an object, an event, a behavior, a person and so on. In respect of this research, the designed conceptual presenting two categories of variables where independent variables in terms of new product launch strategies and dependent variable in terms of brand awareness are held.

Figure 1: Conceptual Framework



Source: Researcher Conceptualization (2019)

Research Methodology:

The quantitative approach was applied in this study quantitatively by describing the effective strategies used by SKOL brewery company Ltd for launching new SKOL Lager on Rwanda market, the extent to how brand awareness of SKOL Lager in Rwanda, and the relationship between new product launch strategies and brand awareness of SKOL Lager in Rwanda. The correlative was used to show the relationship between two variables. The target population of this study was 173 employees the in the product design department, production, marketing, and promotion, the management team of SKOL Brewery Company Ltd. To select 121 respondents from their departments at SKOL Brewery Company Ltd, the study used the stratified and simple random sampling technique where all people in the field at the equal chance to be selected for participating in this important study but most lucky people have a chance to provide their opinions in this study. Questionnaires

were distributed to 121 respondents of SKOL Brewery Company Ltd, and these were composed by close end questions. The expected participation rate is 100% of responding the questions. The study used a correlation coefficient test to determine the relationship between new product launches and organizational brand awareness. The multiple linear regression models were formulated to review digital payment projects on each indicator of financial performance itself. The models are as follows: X= independent variable = Strategies of New product launch which has three indicators: x1: Marketing concern strategy, x2: Organization concern, and x3: Strategic concern. While, Y= dependent variable= Brand awareness which has two indicators: Brand recall or recognition, and Customer retention. However, $Y = f(X)$, Therefore, $y = f(x_1, x_2, x_3)$ function. Based on these functional relationships, the following econometric models has been formulated using multiple regression or polynomial models: $Y = f(X)$ therefore, $FP = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \epsilon$ Where, β_0 =Constant, β_1 - β_3 are coefficients of determination

Findings and Discussions:

A correlation matrix is a table showing correlation coefficients between variables. Each cell in the table shows the correlation between two variables. A correlation matrix is used to summarize data, as input into a more advanced analysis, and as a diagnostic for advanced analyses. The findings on correlation matrix results of this study between independent variables and dependent variable.

Table 1: Correlation Coefficient Matrix Results

		Marketing Concern Strategy	Organization Concern	Strategic Concern	Strategies of New Product Launch	Brand Awareness
Marketing concern strategy	Pearson Correlation	1				
	Sig. (2-tailed)					
	N	121				
Organization concern	Pearson Correlation	.693**	1			
	Sig. (2-tailed)	.000				
	N	121	121			
Strategic concern	Pearson Correlation	.743**	.791**	1		
	Sig. (2-tailed)	.000	.000			
	N	121	121	121		
Strategies of New product launch	Pearson Correlation	.865**	.908**	.951**	1	
	Sig. (2-tailed)	.000	.000	.000		
	N	121	121	121	121	
Brand Awareness	Pearson Correlation	.682**	.780**	.825**	.846**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	121	121	121	121	121

** . Correlation is significant at the 0.01 level (2-tailed).

The results showed that there is a significant and strong correlation between marketing concern strategy and brand awareness as Pearson correlation is 0.682** with the p-value of 0.000, which is less than standard significance level of 0.01. This indicates that, out of the considered other factors, only marketing concern strategy in strategies of new product launch has significant effect of 68.2% of Brand Awareness of SKOL Brewery Company Ltd. The results showed also that there is significant and strong correlation between organization concern and Brand Awareness of SKOL Brewery Company Ltd as Pearson correlation is 0.780** with the p-value is 0.000, which is less than standard significance level of 0.01, and this indicates that out of the considered other factors, only the Organization concern has significant relationship of 78.0% with Brand Awareness of SKOL Brewery Company Ltd. The results showed that there is positive and very strong correlation between Strategic concern and Brand Awareness of SKOL Brewery Company Ltd as Pearson correlation is .825** with the p-value is 0.000, which is less than standard significance level of 0.01. This indicates that, out of the considered other factors affecting Brand Awareness of SKOL Brewery Company Ltd, Rwanda, only strategic concern has significant relationship of 82.5% with Brand Awareness of SKOL Brewery Company Ltd. Findings show that there is strong correlation between Strategies of New product launch and Brand Awareness of SKOL Brewery Company Ltd as Pearson correlation was 0.846** with p-value is 0.000 less than standard significance levels of 0.01. This indicates that Strategies of New product launch has significant relationship of 73.2% on Brand Awareness of SKOL Brewery Company Ltd.

The multiple regression models were formulated to review strategies of new product launch on each indicator of financial performance itself. The models are as follows: X= independent variable = strategies of new product launch which has three indicators: x1: Marketing concern strategy, x2: Organization concern, x3: Strategic concern, while Y= dependent variable= Brand Awareness of SKOL Brewery Company. However, $Y = f(X)$, thus $y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \epsilon$.

Table 2: Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.852 ^a	.726	.719	3.15119	1.276
a. Predictors: (Constant), Strategic concern, Marketing concern strategy, Organization concern					
b. Dependent Variable: Brand Awareness					

The researcher showed the model summary in the table, coefficient of determination which was used to explain whether the model is a good predictor. From the results of the analysis, the findings showed that the independent variables (marketing concern strategy, organization concern, and strategic concern) contributed to $R^2 = 85.2\%$ of the variation in brand awareness as explained by R^2 of 0.726 which indicates that the model is positive and strong, as the independent variable highly explained the dependent variable (Brand awareness) and show that the model is a very good prediction.

Table 3: ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	3081.730	3	1027.243	103.449	.000 ^b
	Residual	1161.807	117	9.930		
	Total	4243.537	120			
a. Dependent Variable: Brand Awareness						
b. Predictors: (Constant), Strategic concern, Marketing concern strategy, Organization concern						

The results revealed that the level of significance was .000(b) this implies that the regression model is significant in predicting the relationship between Strategies of New product launch and Brand Awareness. The findings also showed the level of fitness model of 103.449 which is positive with p-value of 0.000b less than 0.01, set as standard significance level. This means that the null hypothesis (H_0) stated that there is no significant relationship between new product launch strategies and brand awareness of SKOL Brewery Company Ltd in Rwanda was rejected, and the study has retained an alternative hypothesis (H_1) said that there is a significant and positive relationship between new product launch strategies and brand awareness of SKOL Brewery Company Ltd in Rwanda.

Table 4: Regression of Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.484	1.353		.358	.001
	Marketing concern strategy	.219	.205	.080	1.072	.006
	Organization concern	.701	.181	.318	3.883	.000
	Strategic concern	.807	.138	.514	5.829	.000
a. Dependent Variable: Brand Awareness						

From the above Table sought to establish the extent to which models: $X =$ strategies of new product launch represented by x_1 : Marketing concern strategy, x_2 : Organization concern, x_3 : Strategic concern influence $Y =$ Brand Awareness of SKOL Brewery Company. $Y = f(X)$, $y = \beta_0 + \beta_1 x_1 + \beta_2 x_2 + \beta_3 x_3 + \epsilon$. $Y = 0.484 + 0.219x_1 + 0.701x_2 + 0.807x_3 + 1.353$. The multiple linear regression equation showed that Brand Awareness will always depend on a constant factor of 0.484 regardless of the presence of other factors. The other variables explain that; every unit change in x_1 : Marketing concern strategy, x_2 : Organization concern, x_3 : Strategic concern will significantly change Brand Awareness by 0.219; 0.701; and 0.807 respectively with standard error of 1.353 in the model.

Conclusion:

A new product could be highly innovative, incorporating advanced technologies that render them superior to competitive products, but still, fail due to a poor launch. There are characteristics that some product categories exhibit, termed network effects, that cause unique competitive dynamics and change customer response patterns. These call for product launch strategies that differ from what might normally be effective. It is possible that the application of commonly held appropriate launch strategies to network effects products may, in fact, be detrimental to the marketplace performance of such products. As a conclusion, according to the findings obtained in the above, the objectives of this study were achieved, the problem was solved and research questions were answered, and research hypotheses were verified where the null hypothesis was rejected, while alternative hypothesis was retained by saying that there is a significant relationship between new product launch and organizational brand awareness.

Recommendations:

The important recommendation of this study, brand awareness is best spread through both inbound and outbound marketing efforts. When competition in an industry is high, brand awareness can be one of a business's greatest assets. The more consumers are aware of the product a company offers, the more likely go straight to that company if they need that product, instead of researching other places where they can acquire that product. Businesses with strong branding are viewed as accepted by the market. SKOL Brewery Ltd should continue to brand and market the new products at the marketplace and train their employees in the way they should enhance their performance to build their reputation.

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