

**TITLE PAGE**

**IMPACT OF NEW PRODUCT DEVELOPMENT ON SALES VOLUME IN  
UNILEVER SALES OUTLET, KADUNA METROPOLIS**

**BY**

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**BEING A RESEARCH PROJECT SUBMITTED TO THE DEPARTMENT  
OF BUSINESS ADMINISTRATION, COLLEGE OF BUSINESS AND  
MANAGEMENT STUDIES**

**IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE  
AWARD OF HIGHER NATIONAL DIPLOMA (HND) IN BUSINESS  
ADMINISTRATION AND MANAGEMENT**

**KADUNA POLYTECHNIC**

**JUNE, 2022**

## DECLARATION

I hereby declare that this project was written by me under the guidance and supervision of **Mrs. Temitope R. Adeyemi** of the Department of Business Administration. I have neither copied someone's work nor has someone else done it for me. All references made to published literature have been duly acknowledged.

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## APPROVAL

This is to certify that this project titled “**Impact of New product Development on Sales Volume in Unilever Sales Outlet, Kaduna Metropolis**” written by **Asabe Oteikwu, KPT/CBMS/19/42448**, has been read and approved as having met the requirement governing the preparation and presentation of project in Kaduna Polytechnic. It is hereby approved for its contribution to knowledge and literary presentation.

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## **DEDICATION**

This research project is dedicated to Almighty God.

## ACKNOWLEDGEMENT

First and foremost, I thank Almighty God for giving me the opportunity to acquire this knowledge through his mercy and blessings.

I am indeed grateful to my able supervisor, Mrs. Temitope R. Adeyemi for her advice and correction of this research work despite her activities, took out time to guide me throughout my work. May Almighty God bless you and your family abundantly (Amen).

My profound gratitude goes to the Head of Department, Mr. Tunde Lawal and the entire lecturers in the Department of Business Administration for their intellectual supports in conducting this research work.

My deepest appreciation goes to my husband, Pastor Patrick Ashikem and my lovely kids Adiela and Reuel for their prayers, support and encouragement.

Similarly, my esteem appreciation goes to my father, Mr. Abel Oteikwu and my brother Mr. John Oteikwu and sisters Comfort Oteikwu, Alice Oteikwu and Jessica Oteikwu for their support and prayers.

Lastly, my gratitude goes to my friends, Mrs. Sandra Ediba, Mrs. Agness Mathew and Miss Beauty Abdul and also the entire Choir members of Heavens' Gate Ministry and for those I may have forgotten, I am thankful to you as well.

## ABSTRACT

*This study was designed to investigate the impact of new product development on sales volume in Unilever Sales Outlet, Kaduna Metropolis. Specifically, the study examined the impact of new product development on firm's sales growth and identified the promotional tools employed in marketing new products in Unilever Plc, Kaduna. A sample of 58 from a population of 68 entire staff of Unilever Sales Outlet was used for the study. Four (4) research questions were raised to guide the study while a set of questionnaire was used to obtain data from the respondents. A frequency distribution table and simple mean score method was used to analysis the data obtained. Findings from the research revealed that the promotional tools employed in marketing new products are advertising for promotion of product, service and idea, personal selling for building relationships with potential customers, sales promotion as an incentive tool used to drive up short term sales, public relations as an efficient tool in building awareness by generating stories in media, and direct marketing as an efficient tool used to deliver message or service. Some recommendations made are that the company should come up with new products within a given duration time as this would increase the growth of the company and the government should improve policies that affect product innovations as this would make companies bring up more innovations.*

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# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the Study

New product can be said to be the life- blood of companies operating in a free market economy. Indeed, developing a new product, a company should ensure that a good product development strategy is taken. The introduction of a new product into the market makes it possible for the company to remain in a competitive market environment. In today's market, no company can favorably win the entire market share without proper and effective development of its products. This is so because the needs of the society (consumers) changes over and over the time. Therefore, there is the need to change the system and processes of the production to meet the changes in demand, technology, taste and preference of the society (Booz, 2012).

Introducing a new product into the market is an important factor of corporate growth strategy and companies that are money – motivated. New product development has become indispensable and inevitable in an organization; hence, its impact cannot be over emphasized. Today, in the Nigerian market complex situation with highly complex business operation, all companies are said to be adopting the new modern techniques of production. Armstrong and Kotler (2013) maintained that a successful development of new product

will lead to effective sales of the company's product, hence; result in increase in the profit margin of the company. Therefore, for a firm to survive in a competitive business environment, it should make known (advertise) to the public or its consumers; the existence of the newly introduced products because of the fact that most companies operating in the country are presently producing goods that have close substitutes.

According to Edgett (2014), companies that fail to develop new products are putting themselves at great risk. Risk of poor sales volume, space out of market into a small cubicle of not completely put out by competitors of the same product development strategies, initiatives and innovation conscious that is what that research is aiming to influence on sales growth. The existing products are vulnerable to changing customer needs and tastes, new technologies shortened product life circles and increased domestic and foreign competition once a company has carefully segmented the market, chosen its target customers, identified needs, and determined its market positioning. It is better able to develop new products. New products development shapes the company's future. Replacement products must be created to maintain or build sales of the organization. Every enterprise is profit oriented, that can be actualized through prompt sales growth realize, and that depend on the quality, core products, physical tangible, augmented

products and the application of promotional mix/tools of the newly developed product.

Gevirtiz (2014) stated that in a quest to achieve a sustained long term objective of dominating the market requires an effective appraisal of whether a company really desires to develop a new product so as to remain prominent in a competitive market environment. The enhancement of corporate growth of an organization is achievable by means of introducing new product into the market. In other words, marketing-based on programme development will enhance an achievable strategy both financially and in a conceptualizing form. By the introduction of new product into the market, it requires the expenditure of money and it becomes an investment of the organization in the future.

As with any investment, there are risks associated with investment of new products because it can be harmful to the organization's health and company's stability. In considering the reason for new product development in an organization, reason for new product failure, various stages of a new product development, product life cycle and its implications, ways companies organize for new product development, managing a new product (management and strategy development), marketing channel policy,

promotional policy, product design and development, market strategy, the roles of new product development in the enhancement of growth of an enterprise, and problem of marketing new product. Product innovation remains the best way to design and innovate for new product development for corporate growth (Smith & Donald, 2015).

It is also clear that customers want new products, and competitors will do their best to supply them. For instance, each year over 16,000 new product (including line extension and new brands are introduced into the market. In manufacturing company in general (especially Unilever, with its uniqueness and distinctive qualitative product) such cannot be less expected. Unilever makes and sells products more than 400 brand names worldwide. Two billion people use them on any given day. Unilever in producing a products and brands to reach its intended market, must start with the product (new product) at hand for offering or service designed to satisfy the wants of the market segment. Therefore the executives must plan, develop and manage both individual (individual users) product and industrial product assortment. This is not easy task as is shown by the large number of product failure in our economy.

It is against this backdrop that the researcher's interest has prompted her into choosing this topic (impact of new product development on sales of Unilever sales outlets within Kaduna metropolis) as a subject of concern for researching.

## 1.2 **Statement of the Problem**

Today, most business organizations have recognized that there is high need for improvement in its product formation which can only be resolved through the development of new product, to meet up with the ever changing needs of consumers. Business organizations have not been successful and are unable to achieve their goals and objectives as a result of their inability to efficiently and effectively engage in new product development.

The problems faced by Unilever Plc in the course of developing new products are inadequate management of the company in the area of developing new product, insufficient strength in spreading out their product or making it available everywhere, the consumers are not much aware of the product availability, lack of modernized machines in the firm, and inadequate distribution strategy used in the distribution of the products. It is as a result of these problems, the researcher is concerned about and seeking to proffer effective solution and strategies a firm should choose to embark on new product development.

### 1.3 Objectives of the Study

The major objective of this study is to examine the impact of new product development on sales of Unilever sales outlets within Kaduna metropolis.

The specific objectives are to:

- i. examine the impact of new product development on firms sales growth in Unilever Plc, Kaduna.
- ii. identify the promotional tools employed in marketing new products in Unilever Plc, Kaduna.
- iii. identify the problems encountered in new product development and its introduction into the market in Unilever Plc, Kaduna.
- iv. examine the stages of new product development used by Unilever Plc, Kaduna.

### 1.4 Research Questions

In order to achieve the aforementioned objectives, the following questions were raised and served as a guide for the conduct of the study:

- i. What are the impact of new product development on firms' sales growth in Unilever Plc, Kaduna?
- ii. What are the promotional tools employed in marketing new products in Unilever Plc, Kaduna?
- iii. What are the problems encountered in new product development and its introduction into the market in Unilever Plc, Kaduna?
- iv. What are the stages of new product development used by Unilever Plc, Kaduna?

### **1.5 Significance of the Study**

This research work would be of great importance to private investors, intending entrepreneurs, advertisement agencies, students and others in the following ways:

It is significant to investors and entrepreneurs as it will show them when and what to invest into as well as make suggestions of best product mix.

It will serve as a means of exposing the researcher to the practical aspect of the subject matter, and can also be used as a source of secondary data for further research work.

To the researcher, it will be in partial fulfillment of the requirements for the award of Higher National Diploma in Business Administration.

### **1.6 Scope of the Study**

The study looked into the impact of new product development on sales volume of Unilever sales outlets within Kaduna metropolis. The study covered the period of five years, from 2017 – 2021.

### **1.7 Limitations of the Study**

In the process of conducting the research, the researcher faced the problem of not been able to lay hands on research materials needed for the review of literature.

The inability to collect all the questionnaires administered was another problem faced by the researcher.

Finally, the researcher encountered the problem of not been able to have enough fund to carry out the research extensively.

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter reviewed literature related to the topic of study for the purpose of presenting the various views of selected writers that exist in literature on issues relevant to the subject matter. This is intended to serve as a bedrock for better understanding of the subject matter. The literature review covered an overview of product and new product development, product planning and product development the need for new product, challenges of new product, concept of innovation, new product development process, effect of research and development/marketing interface on sales volume, the concept of product life cycle and the impact of new product development on sales volume.

#### **2.2 The Concept of Product and New Product Development**

According to Oyelami (2017), product is a combination of objective (tangible) properties designed or intended to provide need satisfying experiences to consumers. In another elaborate definition, a product is defined as anything that can be offered to a market to satisfy a want or need. Products that are marketed include physical goods, services, experiences, events, persons, places, properties, organisations, information, and ideas (Kotler, 2013).

Perhaps the key criteria as to whether a given product is new and how the intended market perceives it. If the buyers perceives that a given item is significantly different (from competitive goods being replaced in some characteristics appearance/performance) then that product is a new product.

New product development, according to Revel (2012), it is the creation and adjustment of goods and services to satisfy customers demands. In creating and adjusting products to satisfy customer's demands, management should realize that it is primarily in the business of providing satisfactions. People spend their money to attain satisfaction and not the specific technical characteristics of the item being purchased. It is for this reason that marketing research into the needs and desires of intended market is also highly important to product development (Oliver, 2015).

Firm that is evolve in new product must take cognizance that impact of consumers learning and all the elements involved in consumer learning. Some customers learn of a product existence faster, while others learn very slowly, learning can be thought of as "the process by which individual acquire the purchase and consumption knowledge and experience that they apply to future related behavior (Schiffman & Kanuk, 2019). More so, consumer learning can be defined as connecting categories to behaviours that have adaptive value in terms of consumers goals. Fundamental to this definition is that learning is adaptive and determined by the vale system, desires and needs of the learner (Ekerete, 2015). Also it depends on what the

learner already knows. This is, new information is assessed in terms of existing belief and past experience.

Arnold (2015), the reason that marketers are connected with how individual learn is that they are vitally interested in teaching them. In their roles as consumers about products, products attitudes and their potential benefits where no buy them, how to use them, how to maintain them and even how to dispose them. They are also vitally interested in how effectively they have consumers to prefer their brands and to differentiate their product from competitive offerings (Schittman & Kanuk, 2019).

### **2.2.1 Types of Product Development**

Product development is not limited to the creation of new product. In fact, Morden (2017) submitted that there are three basic types of product development activities:

- i) Development of new products
- ii) Improvement of existing products
- iii) Determine of new user for existing products.

According to Keller and Kotler (2015) if the product concept passes the business test, it moves to research and development and or engineering to be developed into a physical product up till now, it has existed only as a weird description. According to them, this step calls for a large jump in investment which reduce costs incurred in the early stages as this. This stage will

answer whether the product idea can be translated into a technically and commercially feasible product. If not the company's accumulated investment will be lost except for any useful information gained in the process Keller and Kotler (2015). The research and development department will develop one or more physical version of the product concept. In addition (Menamin, 2019) examined that it hopes to find a prototype that satisfies the following criteria:

1. The consumer sees it as an important key attributes described in the product concept statement.
2. The prototype can be produced for the budgeted manufacturing cost.
3. The prototype can performs safety under normal use and conditions.

Developing a successful prototype can take days, weeks, months or even years before it could be effective. So also in designing a new commercial average for example, will take several years of development world. Even developing a new test formular can take time also (Price & Farrel, 2019).

### **2.3 Product Planning and Product Development**

According to Stanton (2017), product planning embraces all activities that enable a company to determine whether product it will market, or what product will market. Kotler (2015) sees product planning as a process that

involves screening of a new product idea, testing their feasibility on the market and planning a programme to market them. Product development encompasses the technical activities of product research engineering and design, more especially the combination of product planning and product development including marketing decisions in the following areas (Michael, 2017).

1. Which product should the firm make and which should the firm buy?
2. Should the company market more or fewer product?
3. What brand package and label should be used for each product?
4. What new use is there for new product?
5. How should the product be styled and materials should it be produced?
6. In what quantity should each item be produced?
7. How should the product be priced?

Once a company has carefully segmented the market, chosen its target customers identified their needs and determined its market positioning, it will now be easy for the company to develop a new product. However:

- a) Market plays a key role in the new product process by identifying and evaluating new product ideas and working with research and development and others in every stages of development. Every company must develop new product because new product shapes the company's

future. A company can add new products through acquisition routes which can take three forms, buying a license, buying from other company franchise from other company (Dibb and Bimium, 2018).

## **2.4 The Need for New Product**

Gurbus (2018) opined that new products are developed and introduced into the market for the following reasons:

- i) To meet the customer's needs and wants which are dynamic in nature.
- ii) Companies develop new products in order to explore the opportunity that is available to them.
- iii) New product development increases the total sales volume of the firm.
- iv) New products also increase market share of the firm.
- v) New products are developed so as to tighten competitors in the market.
- vi) New products are developed to ensure continuity of any business venture through making utilization of the idle and excess capacity thereby making better profit.

## **2.5 Challenges of New Product**

1. Inadequate market analysis over estimating potential sales of new product: inability of the firm to determine buying motives and habits

and misjudgments as to what product the market wanted in regards to research.

2. Lack of training programme: failure to train marketing personnel for new product and new market.
3. Lack of capital: inadequate supply of money to some companies with ideas but cannot raise capital to make research, launch and even produce.
4. Government policy: government constraints, new product have to satisfy consumer and environmental concerns.
5. Shorter product life cycle: when a new product is successful, rivals, competitors are quick to copy it.
6. Fragmented markets companies have to aim their new products at smaller market segment and this can mean lower sales and profit for each product.
7. Poor timing of introduction: most companies make such hereby introducing a product late into the market, sometimes the problem might be premature market entry.

## 2.6 **Concept of Innovation**

Innovation is not just represented by introducing or implementing new ideas or method. Pride (2014) defines innovation as the creation of something new

and different. In other words, there should be recognition of opportunity and the creation of product to satisfy the newly found opportunity. New innovations can be realized with creativity people need to think outside the box in order to create incremental enhancements. For a business or an organization to realize competitive advantage, it should be able to adapt and innovate the changing trends and new generations.

Innovation apply for management and organization on all level, size and in operating in all industries, innovation create bigger opportunities and are critical for the survival, economic growth and success of a company. Any company that innovate are able to set the organization in a different paradigm in order to identify new opportunities and best methods to solve current problem.

### **Importance of Product Innovation**

The following are the importance of innovation:

1. Innovation grows the business: Business growth means, ultimately, increasing your profit, successful innovation allows you to add value to your business, so that one can increase your profit if an organization does not innovate well the business will plateau.

2. The advancement of technology and the proliferation of new goods and services that are visible in every industry or company. Consequently, most product are bound to be replaced sooner or later. Hence, the rapid increase and survival of most companies or industries depend essentially upon a continuing flow of successful new product. Therefore, the only response to the dynamic society and technology which is subject to continuous change.
3. Innovation helps business to stay ahead of the competition with globalization and a rapidly changing market, there are more competing business than even before. Innovative thinking can help firm predict market and keep up with customer's needs.

## 2.7 **New Product Development Process**

According to Nwankwo (2013), companies that fail to develop new product are putting themselves at great risk. Their existing products are vulnerable to changing customers need and tastes. New technologies, shortened product life cycles and increased domestic and foreign competition.

Building new products and services can be a process filled with uncertainty. However, following the systematic new product development process can help business gain clarity and confidence in what they are building.

Below is the process of new product development:

1. **Idea Generation:** The goal should be to generate many worth of ideas that can form the foundation for the new product development strategy. The major focus for stage 1 should be to arrange brainstorming sessions where solving customer problems is given precedence.
2. **Screening:** The new product development stage revolves around choosing the one idea that has the highest potential for success. Techniques for evaluating new ideas may consist of checklist or open discussion where ideas are either estimated or considered further.
3. **Concept development and testing:** The idea has been generated and passed the initial screening process. It is then tangible that potential consumers can relate to. At this stage, the product concept should be tested on the potential consumer's would the product fulfill a need, are other similar products available, is the likely price realistic and most importantly, would consumers in the target group actually buy the product.
4. **Marketing strategy:** Once the proposed product and customer reactions to it are fully understood, it is necessary to plan how to introduce the product into the market and how to sustain it at the required level of sales. The strategy document should cover all four elements of the

- marketing mix as well as sales and profit forecasts. It should also include an analysis of the market and the target consumer.
5. **Business analysis:** With the product concept fully developed, and a marketing strategy in place, it is possible to consider the proposed new product from a business point of view. The two most important question that need to be answered concerning sales and likely costs and profits.
  6. **Product development:** Prototype development of the idea must be evaluated in terms of production problems, safety requirement costs, and other modification necessary entering any test market.
  7. **Test marketing:** Setting up of markets can provide valuable data on the market needed marketing strategy changes or product modification necessary to ensure a successful lunch.
  8. **Commercialization:** The new product is launched into the market at full-scale production with a significant commitment of the firms resources and reputation.

There are four factors to consider before the full launch:

- a) When should the company be the first into a new market on delay until a competitive has tested the water?
- b) Where regional, national, international or a rolling programme from one region to the next?

- c) Target markets: who are the most likely consumers of the product (based in on the test marketing results) and how can they best be persuaded to purchase it?
- d) How: a launch action plan will be needed.

Thus, the process of new product development can be long and for every product that is successfully launched, many more will have failed and been withdrawn somewhere the process. It also happens that products that pass all the tests and are to the market can fail.

## **2.8 Effect of Research and Development/Marketing Interface on Sales Volume**

According to Elvy (2016) the people responsible for new product planning and development must interact with research and development in order to ensure the technical feasibility of any new product, product ideas as well as determining the actual specification. These interactions often break down for two reasons:

- i) Lack of good communication during relevant stages in the product evolution process.
- ii) Value conflict between the research and development group and marketing personnel.

The first problem as identified by Armstrong (2013) occur because research and development has difficult responsibility of explaining the new technology used in the new product development to the marketing staff. New designs materials and procedure that must be clearly communicated to those in the new product development organization are constantly being developed.

Value conflict primarily because the researched and development has little appreciation for problems in branding, packaging distribution, pricing and promotion and it must be instilled with awareness and understanding of how the problems faced by marketing organization that affects the success of a new product introduction. Flexibility in managing role of research and development seems to be the key to a successful cooperation. Communication and understanding of the problems faced by each member will help to minimize the conflict of interest. Frequent meetings and careful scheduling will also aid in this interface.

New product development in the view shared by Bonana (2014) call for generation of a large and interesting pool of possible product ideas with a view to finding better once. Donelly (2016) further stated some services of new product idea as follows:

- i) **Customers:** According to Jerome (2017), the market concept demands that the search for a new product ideas should start with the identification of customer's needs and wants. Ways of identifying customers' needs and wants are; direct customer surveys, projective, tests, focused group discussions, suggestion systems and letters receive from customer's needs perpetual and preferential mapping of the current product space to discern new opportunities.
- ii) **Scientists:** Use of research labs for basic research e.g. production of T.V. and transistors, new forms of packaging was a result of research into solid state physics, some companies exploit the basic technology to search for minor modifications of existing products.
- iii) **Competitors:** competitors must watch the new product development by companies marketing intelligence can come from distributors, suppliers and salesmen of the new product.

## 2.9 Issues on Sales

Many company in the growth stage and wishes to remain at the stage with the aid of promotion mix or tools, advertising personal selling, publicity/public relations sales promotion and direct marketing.

1. Sales decline on the other hand, that is, when sales falls companies panic and look for answers.

2. Slow growth: slow sales growth leads some companies to search for new markets, they realize they need marketing skills to identify and select new opportunities/ wanting new sources of revenue.
3. Changing buying patterns: many companies operate in market characterized by rapidly changing customers wants. These company needs more marketing skills to know how they are to track buyers changing values.
4. Increasing competition: sales problems complacent of companies many lead to advertising, sales promotion, marketing research and customers services to be properly done. Management then decides the time to undertake a serious marketing audit to improve its market.
5. Sales analysis: sales analysis consists of measuring and evaluating actual sales in relation to sales goals. These are two specific tools use for sales analysis.
  - a) Sales variance analysis: measures the relatives contribution of different factors to a gap in sales performance.
  - b) Micro sales analysis: look at or take cognizance of specific products, territories and so forth that failed to produce expected sales.

## 2.10 The Concept of Product Life Cycle

The product life cycle (PLC) is an important tool for analysis and planning of the marketing mix activity.

Kempew (2012) sees product life cycle as a marketing theory on which product or brands follow a sequence of stages including; introduction, growth, maturity and sales declines. Product life cycle begins where the new product development process ends.

Among many writers observed that products are like living organism during which they pass through certain stages, which begins when the product idea is conceived through the time it is introduced into the market. The product life cycle is an attempt to recognize distinct stages in the sales history of the product. The product life cycle is mostly used as a framework for developing effective marketing strategies in different stages of the product life cycle. The stages of this cycle cannot necessarily be predicted in terms of exact time nor can it be claimed that a specified product life cycle must follow all of the stages with no alternative.

1. The introductory stage: This is a period of slow growth as the product is been introduced into the market. The introduction into one or more markets takes time. It is marked by a very slow rise in sales mainly

because its market has not yet accepted the product. At this stage, profits are negative or low because of the low sales and heavy distribution and promotion expenses. There are few competitors, the firms direct their selling efforts to those buyers who are willing or prepared to buy, usually higher income groups.

This stage will be dominated by the need to establish the product in the market by building buyer and distributor awareness of the product and its benefits. The two major tools which the marketer uses at this stage, are promotion and price. It is because they are two most visible elements to consumers.

2. The growth stage: This is a period of rapid market acceptance and substantial profit improvement. Early adopters like product, and additional consumers that starts buying it. New competitors enter, attracted by the opportunities. They introduce new product features and expand distribution, prices remain where they are or fall slightly depending on how fast demand increases. The product attains sales momentum through favourable word of firm. Firm has to watch for a change from an accelerating to a decelerating rate of growth in order to prepare new strategies, so also market expansion strategies would help strengthen the firm's competitive position.

3. Maturity stage: During this stage, sales are very sensitive to change in the economy, they rise and fall according to basic economic forces. The market is known and has grown. The number of competitors has stabilized and the market becomes highly segmented. The main channels of distribution become established and promotional distributions must be designed for each segment.

The maturity stage is divided into three phases: growth, stable and decaying maturity in the first phase, the sale growth rate starts to decline, there are no new distribution channels to fill. In the second phase sales flatten on a per-capital basis because of the market saturation. In the third phase decaying maturity, the absolute level of sales starts to decline and customers begins switching to other products (Keller and Kotler, 2015).

4. Decline stage: this is the period when sales decline for a number of reasons, including technological advances, shifts in customers tastes and interest and increased domestic and foreign competition. All lead to over capacity. Increase price cutting and profit erosion. The marketing strategy relevant to this period is to identify the truly declining products, develop for each strategy of continuation through marketing mix, concentration that is concentrating its resources only in the strongest markets and channels that is sharply or quickly reduces its marketing expenses to

increase its current profit. Finally, the company may phase out the product in a way that maximizes the hardship to company profits.

## 2.11 **Impact of New Product Development on Sales Volume**

In business, new product development (NPD) is the complete process of bringing a new product to the market (Wong & Tong, 2012). A product is a set of benefits offered for exchange and can be tangible (it means, something physical you can touch) or intangible (like a service, experience, or belief). There are two paths involved in the new product development process on sales volume: one involves the idea generation, product design and the other involves market research and marketing analysis, companies typically sees new product development as the first stage in generating and commercializing new product within the overall strategic process of product life cycle management used to maintain or grow their market share.

A product is anything that can be offered for a market for the satisfaction of want or need (Kotler & Keller, 2015). It can also be seen or define as a complex of tangible and intangible attributes, including sales, packaging price, manufacturing and retailer services, which the buyer may accept as offering satisfaction of wants and need. Kotler and Keller (2015) are of the

view that there are five product levels and each level adds more customer value and the five constitutes a customer value hierarchy.

The fundamental level is the core benefit; the service or benefit the customer is really buying. For example, a hotel guest is buying “rest and sleep” while a bank customer is buying guidance and custody of his/her fund. At the next level the marketer has to turn the core benefit into a basic product. Thus, a hotel room includes a bed, bathroom, towel, desk and dresser television and air conditioner, while a bank hall includes vault, desk, air conditioner and counting machines. At the third level, the marketer prepares an expected product, a set of attributes and conditions buyer normally expect when they purchase this product. Hotel guest expect a clean bed, fresh towels and working lamp; while a bank customer expect a clean hall, prompt attendance and politeness. At the fourth level, the marketer prepares an augmented product that exceeds customer expectations.

Differentiation arises on the basis of product augmentation also leads the marketer to look at the users total consumption system. The way the user performs the tasks of getting and using products and related services. At the fifth level stands, the potential product which encompasses all the possible augmentations and transformation the product or offering might undergo in

the future. Here is where companies search for new ways to satisfy customers and distinguish their offer. This leads to new product development as in the case of sales volume.

New product development is the total efforts by the marketing executives who add another variety to existing products and services base on envisioned need of customer. In this regards when bank introduced new variety to services to attract customer patronage, a new product is born.

### **Profit**

In neoclassical microeconomic theory, the term profit has for goods produced, in anticipation of further demands and since the future can never be foreseen, with certainty, the goods which the employer obtains for a given wage, payment are of uncertain value. If eventually the price which the goods realize exceeds the cost incurred in their production the employer will make a profit. This is where the concept of profitability applies. If on the other hand, the selling-price turns out to be lower than the cost, which he has incurred, he will make a loss. But he does not and cannot know in advance, that he will be able to make a profit. He certainly expects to make a profit, but he may be unlucky.

## 2.12 Summary of the Chapter

This research work is on impact of new product development on sales volume in Unilever sales outlet Kaduna Metropolis. As it was stated earlier, the essence of this chapter is to undertake a critical relevant literature on the research work. This chapter reviewed relevant literature based on the following subheading, definition of product, an overview of product and new product development, product planning and product development, the need for new product, challenges of new product, concept of innovation, new product development process, effect of research and development, marketing interface on sales volume, issues on sales, the concept of product life cycle, impact of new product development on sales volumes.

Therefore, it was discovered that new product is what the consumers sees and considered as being an addition to the available choice of the company, he/she has and the firm on the other hand considers a product as new when such brand is new to the company and this may include an existing one that has undergone some significant modification or product initiated from competitor or is innovated in its entirely original product.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

This chapter gives a detailed description of the various research procedures adopted in the collection of data and the techniques used in presentation and analysis of data in the following order: Research design, area of the study, population of the study, sample size and sampling techniques, instrument for data collection, validity and reliability of the instrument, method of data collection, method of data presentation and analysis.

#### **3.2 Research Design**

Survey research method was used for the purpose of this study. This was considered more appropriate because survey design generally can be used to investigate problem in realistic setting, the survey research provides the researcher with a more accurate description of respondents' opinion. The survey research comprises of several variables and uses multi-variant statistics to analyze data.

#### **3.3 Area of the Study**

This study was restricted to the selected Unilever Sales Outlet, located along Sabo by Kachia Road, Opposite U/Sunday Market FTF Television Garage within Kaduna metropolis.

### 3.4 Population of the Study

The target population for this study consisted of the entire staff of Unilever Sales Outlet, whose total staff strength is sixty eight (68).

### 3.5 Sample Size and Sampling Techniques

Yamane formula was adopted in determining the sample size for this study, given as follows:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n = Sample size

N = Population

e = Limit of tolerance error/margin of error

1 = Constant

N = 68 and e = 5% i.e. 0.05

$$n = \frac{68}{1 + 68(0.0025)}$$

$$n = \frac{68}{1 + 0.17}$$

$$n = \frac{68}{1.17} = 58.1197$$

$$n = \underline{58}$$

Therefore, the sample size for the study is 58.

The sampling technique used in this work was stratified sampling technique because of its probability nature in the sense that everybody has equal chance of being selected.

### 3.6 Instrument for Data Collection

Primary and secondary methods of data collection were both used in this study. The secondary data were generated from published and unpublished text materials while primary data consists of a number of items in well-structured questionnaire that was administered to the respondents. The decision to structure the questionnaire is predicated on the need to reduce variability in the meanings possessed by the questions as a way of ensuring compatibility of responses. The questionnaire were developed by the researcher based on five points Likert rating scale of Strongly Agree, Agree, Undecided, Disagree, and Strongly Disagree. The 5 points Likert scale is shown thus:

	SA	A	UD	D	SD
Grade Point	5	4	3	2	1
Range	4.5-5.0	3.5-4.4	2.5-3.4	1.5-2.4	0.5-1.4

**Key:**

SA - Strongly Agree = 5

A - Agree = 4

UD – Undecided = 3

D - Disagree = 2

SD - Strongly Disagree = 1

### **3.7 Validity and Reliability of the Instruments**

One important way of ensuring that the right instrument has been used and correct measurement taken is that the outcome must be in consonance with two major criteria for measuring quality known as validity and reliability (Osuala, 2009). Validation by experts as opined by Nwana (2013) is an effective method for content validation of research instrument.

To obtain the validity of an instrument, three experts were required to vet and cross-check the items generated in the questionnaire in order to ensure accuracy and clarity of the instrument. The facial validation was done by the supervisor of this project, Mrs. Temitope Adeyemi, as well as Mr. Peter Amuche and Mr. Benjamin Ogedengbe. They were required to look at the questionnaire items in relation to its ability to achieve the stated objectives of the research, level of coverage comprehensibility, logicity and

suitability for prospective respondents. Their suggestions were used in improving the final draft of the questionnaire.

Reliability has to do with consistency obtained from the results of the application of the instruments. An instrument is reliable if it consistently gives the same or similar result. To obtain reliability for factual questions, Ogbu (2014) suggest that internal checks the form of logical test to the questionnaire should be conducted. In line with this, a number of questions will be built into the questionnaire to give a clue on the respondents' consistency of response.

Besides, pilot study was conducted on 10 staff of the organization to pre-test the efficacy of the questionnaire. This was meant to test the appropriateness of the items in the questionnaire to elicit the needed responses. The choice of a small sample for pilot study is in agreement with the view held by Nworgu (2010) who opined that pilot testing is usually done on a smaller scale than the main study but under similar conditions. And the 10 staff to be used in the pilot study was not participated in the actual study.

### 3.8 Method of Data Collection

The researcher personally administered the questionnaire to the respondents through the use of hand to hand method of distribution. Several call-back visits were made for the collection of the completed questionnaires. The returned questionnaires formed the basis for the data presentation and analysis.

### 3.9 Method of Data Presentation and Analysis

The data collected from the respondents was present in tables and analyzed accordingly with the aid of arithmetic mean and simple percentage. The choice of these tools is because they are very convenient and more appropriate to enable the readers to comprehend the findings of the study.

- i. Simple Percentage: This was used in the analysis of each of the questions relating to respondents' demographic variables.
- ii. Mean Score: This was adopted in analyzing each variable in the questionnaire.

The mean score has the formula given by the equation below:

$$\text{Mean (X)} = \frac{\sum fx}{\sum f}$$

Where:

$\Sigma$  = Summation

f = Frequency

x = Variables

Each value of the acronyms on the 5 point likert scale was multiplied by the corresponding frequency of the variable. The frequency (f) column was multiplied by (x) to get function of x (fx). The mean score of each of the variable was obtained by dividing the sum total of (fx) by the sum of (f).

$$\frac{5 + 4 + 3 + 2 + 1}{5} = \frac{15}{5} = 3.0$$

Therefore, the mean scores of 3.0 and above were regarded as agreed responses, while points below the mean average of 3.0 were treated as disagreed responses.

## CHAPTER FOUR

### DATA PRESENTATION AND ANALYSIS

#### 4.1 Introduction

This chapter presents the analysis of the data collected in the course of the study. The data collected and presented with the aid of a frequency distribution table. A total number of 58 questionnaires were produced and administered out of which 50 were filled and returned. The 50 questionnaires formed the basis for the data analysis and interpretation.

#### 4.2 Characteristics and Classification of Respondents

**Table 4.2.1:** Sex of Respondents

<b>Sex Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
Male	38	76
Female	12	24
<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Field Study, 2022

The above table indicates that 76% of the respondents were male while the remaining 24% of the total respondents were female. This implies that there are more male than the female in the organization.

**Table 4.2.2: Age of Respondents**

<b>Age Category</b>	<b>Frequency</b>	<b>Percentage (%)</b>
20-29 years	10	20
30-39 years	20	40
40-49 years	14	28
50 years and above	6	12
<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Field Study, 2022

The table above indicates that 20% of the total respondents had their ages between 20-29 years, 40% of the respondents had age ranging between 30-39 years, 28% of the respondents belong to age bracket of 40-49 years while the remaining 12% of the total respondents fall between the age range of 50 year and above. This shows that there are more of respondents within the age range of 30-39 years in the organization, and which implies that most of respondents are within the active and productive age of their career.

**Table 4.2.3: Respondents' Educational Qualification**

<b>Educational Qualification</b>	<b>Frequency</b>	<b>Percentage (%)</b>
NCE/ND	11	22
HND/B.Sc	34	68
Postgraduate	5	10
<b>Total</b>	<b>50</b>	<b>100</b>

**Source:** Field Study, 2022

Table 4.2.3 above indicates that 22% of the respondents are NCE/ND holders, 68% of the respondents are HND/B.Sc holders, while the remaining 10% of the respondents were postgraduate degree holders. This implies that there are more HND/B.Sc holders than other qualifications in the study area.

### 4.3 Data Presentation and Analysis

This section presents the data and discusses the findings of the study, which set out to examine the impact of new product development on sales volume in Unilever sales outlets within Kaduna metropolis. The findings were based on analysis of the 50 valid responses from the respondents.

**Table 4.3.1:** The impact of new product development on firms sales growth in Unilever Plc, Kaduna.

S/N	Variable		SA	A	UD	D	SD	$\Sigma FX$	X	Remark
1	New product generates sales growth for the firm	f	10	20	4	10	6	50	3.4	Agree
		x	5	4	3	2	1			
		fx	50	80	12	20	6	$\frac{168}{50}$		
2	New product creates customer values	f	12	22	7	6	3	50	3.7	Agree
		x	5	4	3	2	1			
		fx	60	88	21	12	3	$\frac{184}{50}$		
3	New product gives rise to new markets	f	14	18	9	6	3	50	3.7	Agree
		x	5	4	3	2	1			
		fx	70	72	27	12	3	$\frac{184}{50}$		
4	New product builds innovation capacity	f	16	26	0	4	4	50	3.9	Agree
		x	5	4	3	2	1			
		fx	80	104	0	8	4	$\frac{196}{50}$		
5	New product development helps the company to maximize profit.	f	14	20	2	4	10	50	3.5	Agree
		x	5	4	3	2	1			
		fx	70	80	6	8	10	$\frac{174}{50}$		

**Source:** Field Survey, 2022.

$$\text{Grand Mean} = \frac{18.2}{5} = 3.6 \text{ (Agree)}$$

From the table illustrated above, it shows that variable 1, 2, 3, 4 and 5 were accepted with the mean scores of 3.4, 3.7, 3.7, 3.9 and 3.5 respectively which are all higher than the cut-off point of 3.0. This implies that new product development has significant impact on sales growth in Unilever Plc, Kaduna as the new product development generates sales growth for the firm; creates customer values; gives rise to new markets; builds innovation capacity; and helps the company to maximize profit.

**Table 4.3.2:** The promotional tools employed in marketing new products in Unilever Plc, Kaduna

S/N	Variable		SA	A	UD	D	SD	$\Sigma FX$	X	Remark
6	Advertising for promotion of product, service and idea.	f	16	28	0	4	2	50	4.0	Agree
		x	5	4	3	2	1			
		fx	80	112	0	8	2	$\frac{202}{50}$		
7	Personal selling for building relationships with potential customers.	f	12	30	2	4	2	50	3.9	Agree
		x	5	4	3	2	1			
		fx	60	120	6	8	2	$\frac{196}{50}$		
8	Sales promotion as an incentive tool used to drive up short term sales.	f	18	26	0	6	0	50	4.1	Agree
		x	5	4	3	2	1			
		fx	90	104	0	12	0	$\frac{206}{50}$		
9	Public relations as an efficient tool in building awareness by generating stories in media.	f	14	24	4	4	4	50	3.8	Agree
		x	5	4	3	2	1			
		fx	70	96	12	8	4	$\frac{190}{50}$		
10	Direct marketing as an efficient tool used to deliver message or service.	f	17	24	3	4	2	50	4.0	Agree
		x	5	4	3	2	1			
		fx	85	96	9	8	2	$\frac{200}{50}$		

**Source:** Field Survey, 2022.

$$\text{Grand Mean} = \frac{19.8}{5} = 4.0 \text{ (Agree)}$$

From the table illustrated above, it shows that variable 6, 7, 8, 9, and 10 were accepted with the mean score of 4.0, 3.9, 4.1, 3.8, and 4.0 respectively which are all higher than the cut-off point 3.0. This implies that the promotional tools employed in marketing new products in Unilever Plc, Kaduna are advertising for promotion of product, service and idea; personal selling for building relationships with potential customers; sales promotion as an incentive tool used to drive up short term sales; public relations as an efficient tool in building awareness by generating stories in media; and direct marketing as an efficient tool used to deliver message or service.

**Table 4.3.3:** The problems encountered in new product development and its introduction into the market in Unilever Plc, Kaduna.

S/N	Variable		SA	A	UD	D	SD	$\Sigma FX$	X	Remark
11	The process of new product development is risky and expensive.	f	16	22	4	4	4	50	3.8	Agree
		x	5	4	3	2	1			
		fx	80	88	12	8	4	$\frac{192}{50}$		
12	Rapid advancement in technology	f	18	21	5	4	2	50	4.0	Agree
		x	5	4	3	2	1			
		fx	90	84	12	8	2	$\frac{199}{50}$		
13	Lack of extensive market research	f	10	30	2	6	2	50	3.8	Agree
		x	5	4	3	2	1			
		fx	50	120	6	12	2	$\frac{190}{50}$		
14	Difficulty in gathering of intelligence over the competitors.	f	10	15	12	8	5	50	3.0	Agree
		x	5	4	3	2	1			
		fx	50	40	36	16	5	$\frac{147}{50}$		

**Source:** Field Survey, 2022.

$$\text{Grand Mean} = \frac{14.6}{4} = 3.7 \text{ (Agree)}$$

From the table illustrated above, it shows that variable 11, 12, 13, and 14 were accepted with the mean score of 3.8, 4.0, 3.8, and 3.0 respectively which are all higher than the cut-off point 3.0. This implies that the problems encountered in new product development and its introduction into the market includes process is risky and expensive; there is rapid advancement in technology; lack of extensive market research; and difficulty in gathering of intelligence over the competitors.

**Table 4.3.4:** The stages of new product development used by Unilever Plc, Kaduna.

S/N	Variable		SA	A	UD	D	SD	$\Sigma$ FX	X	Remark
15	Idea generation	f	18	26	0	6	0	50	4.1	Agree
		x	5	4	3	2	1			
		fx	90	104	0	12	0	$\frac{206}{50}$		
16	Idea screening	f	14	24	4	4	4	50	3.8	Agree
		x	5	4	3	2	1			
		fx	70	96	12	8	4	$\frac{190}{50}$		
17	Concept development and testing	f	12	30	2	4	2	50	3.9	Agree
		x	5	4	3	2	1			
		fx	60	120	6	8	2	$\frac{196}{50}$		
18	Market strategy and business analysis	f	18	21	5	4	2	50	4.0	Agree
		x	5	4	3	2	1			
		fx	90	84	12	8	2	$\frac{199}{50}$		
19	Product development	f	10	15	12	8	5	50	3.0	Agree
		x	5	4	3	2	1			
		fx	50	40	36	16	5	$\frac{147}{50}$		

**Source:** Field Survey, 2022.

$$\text{Grand Mean} = \frac{18.8}{5} = 3.8 \text{ (Agree)}$$

From the table illustrated above, it shows that variable 15, 16, 17, 18, and 19 were accepted with the mean score of 4.1, 3.8, 3.9, 4.0, and 3.0 respectively which are all higher than the cut-off point 3.0. This implies that idea generation, idea screening, concept development and testing, market strategy and business analysis, and product development are the stages of new product development used by Unilever Plc, Kaduna.

#### 4.4 Summary of Findings

Having carefully analyzed and interpreted the data collected, the following findings were obtained.

1. New product development has significant effect on sales growth in Unilever Plc, Kaduna as the new product development generates sales growth for the firm, creates customer values, gives rise to new markets, builds innovation capacity, and helps the company to maximize profit.
2. The promotional tools employed in marketing new products are advertising for promotion of product, service and idea, personal selling for building relationships with potential customers, sales promotion as an incentive tool used to drive up short term sales, public relations as an efficient tool in building awareness by generating stories in media, and direct marketing as an efficient tool used to deliver message or service.
3. The process of new product development is risky and expensive, there is rapid advancement in technology, lack of extensive market research; and difficulty in gathering of intelligence over the competitors.
4. Finally, idea generation, idea screening, concept development and testing, market strategy and business analysis, and product development are the stages of new product development used by Unilever Plc, Kaduna.

#### 4.5 Discussion of Findings

The data presented and analyzed were not just revealing but deserve further discussion thus:

**Research Question 1:** *What are the impact of new product development on firms' sales growth in Unilever Plc, Kaduna?*

In providing answer to the above research question, variables 1, 2, 3, 4 and 5 of the data analyzed in table 4.3.1 with grand mean score of 3.6 which is greater than the cutoff point 3.0 was utilized. This shows that new product development has significant impact on sales growth in Unilever Plc, Kaduna.

**Research Question 2:** *What are the promotional tools employed in marketing new products in Unilever Plc, Kaduna?*

To provide answer to the above raised research question, variables 6, 7, 8, 9 and 10 of the data analyzed in table 4.3.2 were established with the grand mean of 4.0 which is also greater than the cutoff point 3.0. This implies that the respondents agreed that the company employed effective promotional tools such as advertising, personal selling, sales promotion, public relations and direct marketing in marketing their new products.

**Research Question 3:** *What are the problems encountered in new product development and its introduction into the market in Unilever Plc, Kaduna?*

In order to answer the above raised research question, variables 11, 12, 13, and 14 of the data analyzed in table 4.3.3 were utilized with the grand mean of 3.7 which is greater than the cutoff point 3.0. This revealed that there are various problems encountered in the development and introduction of a new product in Unilever Plc, Kaduna such as the risk involved, technology, market research, competitors, and time factors.

**Research Question 4:** *What are the stages of new product development used by Unilever Plc, Kaduna?*

Variables 15, 16, 17, 18, and 19 of the data analyzed in table 4.3.4 were utilized in answering the research question raised above. The analysis revealed the grand mean of 3.8 which is greater than the cutoff point 3.0. Hence, the respondents answered in the affirmative that idea generation, idea screening, concept development and testing, market strategy and business analysis, and product development are the stages of new product development used by Unilever Plc, Kaduna.

## CHAPTER FIVE

### SUMMARY, CONCLUSION AND RECOMMENDATIONS

#### 5.1 Summary

The study examines the impact of new product development on sales volume in Unilever sales outlets within Kaduna metropolis. Research questions guided the study. A survey method was used for this study. The population consists of all the management and staff of Unilever Plc, Kaduna. Out of 68 staff, a sample size of 58 was drawn using stratified sampling technique. A questionnaire developed by the researcher based on 5 point likert scale was used for the collection of primary data for the study.

The instrument was trial-tested on 10 staff of the organization and 58 questionnaires was finally administered to the staff of the organization out of which 50 were validly filled and returned. Data collected for the four research questions were presented in a table analyzed using mean statistics, so as to confirm its degree of conformity with the objectives of the study earlier put forward, and on the basis of which the major findings of the study were revealed and discussed for valid research conclusion and appropriate recommendations.

## 5.2 Conclusion

Based on the findings of this research, conclusion can be drawn about the impact of new product development on sales growth in different ways. The way the product is designed to meet the technical requirement of the consumers can help to increase the quality of work life of the employee and thereby improving on the growth of sales volume.

All in all, firm's need to continuously develop new products and improve existing products so as to stay relevant in today's highly competitive environment. This requires coordination and leverage between the broad creative resources and capabilities which are often spread across cultural and geographical boundaries. New product development (NPD) and globalization are also linked to the softer dimensions which are concerned with the organizational culture and management environment of the company which can have a significant impact on the outcome of the often complex and risky endeavors. However, there is not enough research or evidence linking these dimensions and the behavioral environment to the performance of international effort put in by NPD in firms.

### 5.3 Recommendations

Based on the findings of this study, the researcher recommends the following measures to remedy the problems.

- i. The company should come up with new products within a given duration time as this would increase the growth of the company.
- ii. The company should conduct gap analysis of the existing products by interviewing representative of consumers to find out their views about the company's existing products before thinking of producing another one.
- iii. The government should improve policies that affect product innovations as this would make companies bring up more innovations.
- iv. The company should adopt the scientific method of product planning and development within the context of marketing research.
- v. The company should take note of the types of research approach used at the stage which includes monadic approach which is concerned with comparing the concept with or against existing market of the competitors.
- vi. Finally, the management should know where, how and when consumers need a new product before venturing into production or introduction is made.

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## **APPENDIX**

Department of Business Administration,  
College of Business & Management Studies,  
Kaduna Polytechnic,  
Kaduna.  
4<sup>th</sup> April, 2022.

Dear Respondents,

### **IMPACT OF NEW PRODUCT DEVELOPMENT ON SALES VOLUME IN UNILEVER SALES OUTLET, KADUNA METROPOLIS**

I am a Higher National Diploma student of the above named institution, currently conducting a research on the above topic. In this regard, you have been duly selected as a respondent. This research is part of the requirement for the award of Higher National Diploma (HND) in Business Administration and Management. Your response to the attached questionnaires can make the research a tremendous success.

I wish to appeal to you to assist this study by kindly sparing a few minutes to complete this questionnaire. You are not required to disclose your identity. Be rest assured that your responses will be treated in strict confidence and used for the stated academic purpose only.

Thanks.

Yours faithfully,

**Asabe Oteikwu**  
KPT/CBMS/19/42448  
The Researcher

## QUESTIONNAIRE

**INSTRUCTION:** Please tick [  ] the appropriate choice.

### SECTION A: Personal Data

1. Sex: (a) Male [  ] (b) Female [  ]
2. Age: (a) 20-29 [  ] (b) 30-39 [  ] (c) 40-49 [  ]  
(d) 50 and above [  ]
3. Educational Qualification: (a) NCE/ND [  ] (b) HND/B.Sc [  ]  
(c) Postgraduate [  ]

### SECTION B: Research Questions

The acronyms given in the boxes are

- |           |   |                   |
|-----------|---|-------------------|
| <b>SA</b> | = | Strongly agreed   |
| <b>A</b>  | = | Agreed            |
| <b>UD</b> | = | Undecided         |
| <b>D</b>  | = | Disagree          |
| <b>SD</b> | = | Strongly Disagree |

**Table 1:** The impact of new product development on firms sales growth in Unilever Plc, Kaduna.

S/N	Variable	SA	A	UD	D	SD
1.	New product generates sales growth for the firm					
2.	New product creates customer values					
3.	New product gives rise to new markets					
4.	New product builds innovation capacity					
5.	New product development helps the company to maximize profit.					

**Table 2:** The promotional tools employed in marketing new products in Unilever Plc, Kaduna

S/N	Variable	SA	A	UD	D	SD
6.	Advertising for promotion of product, service and idea.					
7.	Personal selling for building relationships with potential customers.					
8.	Sales promotion as an incentive tool used to drive up short term sales.					
9.	Public relations as an efficient tool in building awareness by generating stories in media.					
10.	Direct marketing as an efficient tool used to deliver message or service.					

**Table 3:** The problems encountered in new product development and its introduction into the market in Unilever Plc, Kaduna.

S/N	Variable	SA	A	UD	D	SD
11.	The process of new product development is risky and expensive.					
12.	Rapid advancement in technology					
13.	Lack of extensive market research					
14.	Difficulty in gathering of intelligence over the competitors					

**Table 4:** The stages of new product development used by Unilever Plc, Kaduna.

S/N	Variable	SA	A	UD	D	SD
15.	Idea generation					
16.	Idea screening					
17.	Concept development and testing					
18.	Market strategy and business analysis					
19.	Product development					