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# Product innovation and customer satisfaction in Nigeria brewery industry: a study of customers of star lager beer by Nigerian breweries plc. In southeast, Nigeria

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#### **Abstract**

The global market today has become so diversified that consumers have more interests in new things, because their needs and tastes are constantly changing. These changes in their consumption pattern therefore, calls for firms to adapt the use of innovation, as possible and significant way to satisfy their consumers. This study examined product innovation and customer satisfaction in Nigeria brewery industry: a study of customers of star lager beer by Nigerian Breweries Plc. in South-East, Nigeria. The objectives were to examine the relationship between: product quality and repurchase intention, product packaging and repurchase intention, brand name and repurchase intention, product quality and customer loyalty, product packaging and customer loyalty and name and customer loyalty. The study adopted survey research design and customers of NB Plc in South-East Nigeria represent the population. 280 valid responses were obtained from customers of NB through a survey questionnaire. The research adopted descriptive statistics and was used to present data generated from respondents. Hypotheses one, two, three and four were tested with Pearson's Product Moment Correlation Coefficient while hypothesis five and six were tested with multiple regression through the use of SPSS. The findings revealed that there are significant relationship between product quality and repurchase intention among the consumers of brewery products in Nigeria, and product packaging and repurchase intention, there is no significant relationship between product brand name and repurchase intention, there significant relationship between product quality and customer loyalty among brewery product consumers in Nigeria, there is no significant relationship between product packaging and customers' loyalty among brewery product consumers in Nigeria, and there is also a negative significant relationship between product brand name and customer loyalty among brewery product consumers in Nigeria, the implications of these two results are that product packaging only and brand name cannot guarantee customer loyalty except if the product has the quality that can give the customers maximum satisfaction since satisfaction is the ultimate goal of every customer. The study recommended to NB Plc to increase their customer satisfaction by improving on their products in the areas of product quality. This study has implications for the update of product innovation and formulation of customer satisfaction policy in Nigeria brewery industry and other emerging economies with similar business and economic history. The limitation of this research is that it was carried out only in South-East Nigeria, therefore further research should be carried out in the whole of Nigeria.

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**Keywords:** Product quality; product packaging; brand name; repurchase<sup>1</sup> intention; customer loyalty

### 1. Introduction

Every company wants to remain active and relevant in the global market and also wants to have competitive advantage in the industry where it operates. The global market today has become so diversified that consumers have more interests in new things, because their needs and tastes are constantly changing. These changes in their consumption pattern therefore, calls for firms to adapt the use of innovation, as possible and significant way to satisfy their consumers. In market environments, firms compete for consumers, most especially in technology evolving global markets [29] cited in [4]. [11] noted that beverage companies are increasingly confronted with important strategic and operational questions as the dynamism in their environment constantly created new challenges. These challenges stimulate the management of many beer companies to become innovative.

The innovation means the creation, development and implementation of a new product, process or service with the goal of improving efficiency, effectiveness or competitive advantage. Innovation had better be capable of being started small, requires first little money, few people and only a small limited mark. The customer satisfactions mean the degree to which customer expectations of a product or service are met or exceeded. The quality of after-sales service can also be a crucial factor in influencing any purchasing decision. There exists an interaction between the desired results and customer satisfaction, Brand loyalty without the customer it is impossible for any business to sustain itself. Achieving the desired results is frequently a result of customer actions. Any business without a focus on customer satisfaction is at the mercy of the market [29].

Innovation has widely been accepted as a vital strategic factor which enables brands to establish and maintain their competitive advantages (27) cited in (15). Being the first mover while accessing new market with new and innovative products would provide the brand with better opportunities to build positive customer base, and it also can save it from intense competition (9) cited in (15). Obviously, a brand which frequently introduces highly innovative products can protect itself from price competition. Additionally, innovative products can largely improve future purchases and enhance brand performance (34) cited in (15). In highly competitive

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environments, it is clearly evident that customers' needs and requirements are continuously changing while thinking to purchase a certain product category; the decisions are established according to their perceptions of product innovations in terms of product quality, product design and attributes (27) cited in (15).

A product is considered to be innovative when it includes new ingredients (8) cited in (15). From the perspective of customers, a product can be viewed as innovative when it provides them with differential values and uniqueness which is hard for competitors to copy or imitate. Thus, a new product can be assessed in terms of uniqueness and inherent features, functionality, and usefulness (24) cited in (1). The added value of product innovation to customers is determined through comparing it with those products that exist in the market regardless of whether they are manufactured by the same producer or another competitor (24) cited in (15). The focus on product innovation and its growth is so prevalent in a number of organizations that their brand images are inherently attached with product innovation offering (12) cited in [15]. These organizations continuously advertise and largely promote the perception among the audience that they are innovative and frequently introduce creative products to satisfy market needs. For example, the performance of the brand can increase when it initiates a product with innovative feature and make enormous investment in the marketing of that new product (1)] cited in (15). Particularly, the ability of an organization to innovate is very essential for its continued presence in adapting to rapidly changing environments (15).

There are a lot of innovations companies can embark on. Companies can embark on process, organizational, technological, marketing, and product innovations. Some may decide to engage on any of these innovations, for example, product innovation. The reason companies are usually embarking on product innovation is to ensure that their consumers are satisfied with their products. Product innovation is the development and introduction of a new product to the market or the modification of existing products in terms of function, quality consistency, or appearance (27) cited in (23).

This research is a pertinent step forward finding out the relationship that exists between product innovation and customer satisfaction in brewery industry. This research helps in finding out how

process of innovation will be done and how the innovative product would satisfy the customer demand, needs and requirement and why a customer always demands a specific brand. For example, a person using a brand from which he is being satisfied, won't be bothering about any

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other brand as long as the one he consumes is available, every person wants maximization satisfaction or value from the product he purchases, so innovation would increase customer loyalty, and would help in increasing customer satisfaction. In Nigeria, this kind of research with having this match of variables has never been done before.

Nigerian Breweries Plc, one of the key players in the beverage industry in Nigeria has in the past engaged on product innovation to better reposition their company and to retain their market share position and equally maintain their consumer base by giving them products that will give them maximum satisfaction. Nigerian Breweries Plc over the years has developed new or innovated some of their existing products. Products like ACE Desire a Zobo flavoured alcoholic drink and Stella lager beer, Star Radler, Stella lager beer, were developed and introduced into the Nigeria beverage market while some existing ones like Life lager beer, 33 lager beer, Gulder Ultimate lager beer and Star larger beer which is currently being studied have undergone some innovations. All these efforts made in developing or innovating new product (s) is to ensure that customer satisfaction is guaranteed.

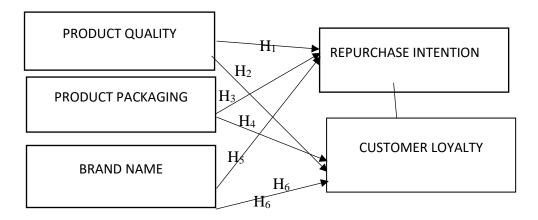
Some companies believe that because they have all it takes to produce a product(s) that they can produce anything they want and consumers will surely buy it but they fail to realize or understand that that era has come and gone. Modern consumers are so sophisticated in demanding; they know exactly what they want. They do not want only a product but also something that will give them maximum satisfaction or solve their problem. This satisfaction could be achieved by given them good (appearance, aroma, flavor and taste/mouthfeel and alcohol content) qualities, good packaging and brand name which could lead to repurchase if well priced to loyalty. In recent time, Nigerian Breweries Plc in her quest to maintain her market share position in the brewery industry introduced some new products but those products failed to stand the test of time probably because it is believed that consumers did not get the desired satisfaction they wanted from the products.

Based on the research problem above, the objective of this research is to examine the relationship that exists between product innovation and customer satisfaction: A study of customers of Star Lager Beer by Nigerian Breweries Plc in South-East Nigeria. Specifically, this study is to:

- 1. examine the of relationship between product quality and repurchase intention.
- 2. ascertain the relationship between product packaging and repurchase intention.



- 3. examine the relationship between brand name and repurchase intention.
- 4. ascertain the relationship exists between product quality and customer loyalty.
- 5. find out the relationship between of product packaging and customer loyalty.
- 6. investigate the relationship between brand name and customer loyalty.



**Figure 1:** Structural Model of Relationship between Product Innovation and Customer Satisfaction

Source: Researcher, 2020

# 2. Literature review and research hypotheses

This paper anchors on the Expectancy-Disconfirmation Theory as the most promising theoretical framework for the assessment of customer satisfaction to argue it case. This theory was proposed by Oliver (1980). The theory states that customer purchase goods and services with pre-purchase expectations about the anticipated performance. The expectation level then becomes a standard against which the product is judged. That is, once the product or service has been used, outcomes are compared against expectations. If the outcome matches the expectation confirmation occurs. Disconfirmation occurs where there is a difference between expectations and outcomes. A customer is either satisfied or dissatisfied as a result of positive or negative difference between expectations and perceptions. Thus, when product or service performance is better than what the customer had initially expected, there are a positive disconfirmation between expectations and

performance which results in satisfaction, while when product or service performance is as expected, there is a confirmation between expectations and perceptions which results in satisfaction. In contrast, when product or service performance is not as good as what the

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consumer expected, there is a negative disconfirmation between expectations and perceptions which causes dissatisfaction. Expectancy-confirmation theory assumes that expectations, coupled with perceived performance, lead to post-purchase satisfaction. This effect is mediated through positive or negative disconfirmation between expectations and performance. If a product outperforms expectations (positive disconfirmation) post-purchase satisfaction will result. If a product falls short of expectations (negative disconfirmation) the consumer is likely to be dissatisfied. The four main constructs in the theory are: expectations, performance, disconfirmation, and satisfaction. Expectations reflect anticipated behavior. They are predictive, indicating expected product attributes at some point in the future. Expectations serve as the comparison standard – what consumers use to evaluate performance and form a disconfirmation judgment. Disconfirmation is hypothesized to affect satisfaction, with positive disconfirmation leading to satisfaction and negative disconfirmation leading to dissatisfaction on the relationship that exists between product innovation and customer satisfaction: customers of Star Larger Beer by Nigerian Breweries Plc in South-East Nigeria.

The study of a product quality and its extrinsic influential characteristic with reference to customer retention, the image of product itself is more essential than the physical quality of product (36) cited in (13). Moreover, they note in their findings that a better and a good customer relationship is stronger when there is a product awareness and these both factors are critically important for shaping the customer perception. According to (13), search properties include such traits like color, style, price, fit, and smell. Here, search properties are those characteristics of product and service attributes which can be easily compared and observed by the customers before they make the purchase of product or services. Moreover, he finds that products (e.g. goods) have more search

qualities than services, with more experience and credence qualities. Here, credence properties are those characteristics of product and service attributes that cannot be differentiated even after the product, or service, has been purchased and consumed. Similarly, experience properties are those characteristics of product and service attributes, which can only be evaluated after purchase and use of the product, or the actual consumption of the service is done (21) cited in (13). Thus, the authors proposed the following hypothesis

(15) examined the effect of product innovation on relationship quality in automotive industry in Kedah, Malaysia. The automotive sector in Malaysia was selected to conduct this

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study whereby the data were collected from passenger car users in Northern region of the country. The data were analyzed using structural equation modeling (AMOS). The findings revealed that the research model fits the data significantly and achieved the recommended values for all fit indices. In particular, the findings supported the significant positive effect of brand satisfaction on brand trust. Consequently, brand trust has significant positive effect on brand commitment. Moreover, the findings indicated that product innovation has significant positive effect on relationship quality and its dimensions; brand trust, brand commitment, and brand satisfaction. The findings also demonstrated that the main contribution of this study lies in the examination of product innovation as an antecedent to relationship quality and its dimensions rather than looking on the frequently used antecedents. These results and their implications along with avenues for further research are also elaborated in this study.

H<sub>01</sub>, there is no significant relationship between product quality and repurchase intention.[7] investigated the influence of packaging elements on consumers buying behaviour of selected fast-moving consumer products in Umuahia North L.G.A of Abia State, Nigeria. Seven objectives and seven hypotheses were formulated for the study. Primary data were used for the study which were collected using a well-structured and validated questionnaire. A total of three hundred and ninety-nine (399) questionnaires were randomly distributed in the study area. Only three hundred and sixty-two (362) were filled properly and then used for the analysis, which gave a response rate of 90.7%. Data collected for this study was analysed descriptively and inferentially using Ordinary Least Square Multiple Regression Analysis, ANOVA Test and Pearson Correlation Coefficient, testing the formulated hypotheses at 5% level of significance. From the analysis, the multiple regression of the packaging elements on consumer buying behaviour gave Bread ( $r^2 = 0.724$ ), Gala ( $r^2 = 0.793$ ), Beverages ( $r^2 = 0.853$ ), Biscuit 0.923), and Bottled water ( $r^2 = 0.864$ ) which were statistically significant. ANOVA test gave Bread (F = 12.690), Gala (F = 10.564), Beverages (F = 14.730), Biscuit (F = 9.562), and Bottled water (F = 7.635) which were significant. On the correlation test on the packaging elements and consumer buying behaviour, colour (0.634), background image (0.573), font style (0.623), wrapper design (0.823), printed in<sup>2</sup> formation (0.722), and packaging material (0.802) were also significant. Findings showed that packaging elements such as colour, background image, font style, design of wrapper, printed information and packaging material of Bread, Gala, Beverage, Biscuit and Bottled water significantly influenced consumer buying behaviour to a high extent.

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The finding of the study also revealed that the packaging elements positively influenced consumers' buying behaviour of fast-moving consumer products. The study recommends that manufacturers of fast-moving products like bread, gala, Bottled water, biscuits and beverages should give attention to packaging attributes and be innovative to win consumers' attention. They should be aware that if they introduce poor packaging for their products, their products failure in the market is certain.

According to [35] Packaging is a symbolic concept which attracts consumer's attention to particular brand, enhances its image, and influences consumer's perceptions about product. In addition, Packaging is the container for a product - encompassing the physical appearance of the container and including the design, color, shape, labeling and materials used" (6). (28) also contributed that Packaging could be treated as one of the most valuable tools in today's marketing communications; Packaging has an important impact on consumers buying behaviour. The impact of packaging and its elements can impact the consumer's purchase decision.

H<sub>O2</sub> there is no significant relationship between product packaging and repurchase intention.

The brand name is very significant choice because some time it captures the central theme or key association of a product in a very condensed and reasonable fashion. Brand names can be extremely successful means of communication. Some companies assign their product with a brand name that in reality has nothing to do with the emotional experience but is catchy and a name that people can easily memorize. The core base of naming a brand is that it should be unique and can be easily discriminated from other names, easy to remember and are attractive to customers Keller (20) cited in (5). Generally, branding is a way of clearly highlighting what makes your product or service different and more attractive than your competitors. Successful branding is about promoting your strengths. Firms need to be sure that they can always deliver on<sup>3</sup> their promises using these strengths, referred to as brand (values) name (19). Brand name is a very important concept in today's marketing strategy formulation thus; it guides the branding of new products. A company has four choices when it comes to brand strategies. These are line extensions, (existing brands extended to new forms, sizes and flavours of an existing product category), brand extensions (existing brands extended to new product categories),

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multi-brands (new brands introduced into same product category) or new brands (new brands in new product categories [38].

The American marketing association (AMA) defines as a —A name, symbol, design, or some combination which identifies the product differentiate them from those of competition [19(. Another definition by (18) says that a brand is a set of mental associations, held by the customer, which add to the perceived value of a product or service. These associations should be unique (exclusive), strong (salient), and positive (desirable). To many, a brand suggests the best choice, while others see a brand as something the customer knows and will react to. Despite the formal definition, the purpose of branding is essentially to build the product's image [19]. This image will influence the perceived worth of the product and will increase the brand's value to the customer, leading to brand loyalty (18). Organizations develop brands as a way to attract and keep customers by promoting value, image, prestige, or lifestyle. By using a particular brand, a consumer can cement a positive image. Brands can also reduce the risk consumers" face when buying something that they know little about. Branding is a technique to build a sustainable, differential advantage by playing on the nature of human beings. Only humans can attach meaning and feeling to inanimate objects and a random collection of symbols, which suggests the appeal of branding, is not entirely rational (19).

H<sub>O3</sub> there is no significant relationship between brand name and repurchase intention.

Customers are always looking for value for their money in both the services and products that they purchase (37) cited in (31). Product quality is among the most overriding factors in customer satisfaction (31). Poor quality products precipitate low satisfaction levels for customers while high quality products have the effect of bringing about high satisfaction levels (31). The user-based, after use evaluation occurs when the customer assesses the product based on products ability to meet or surpass the customer's expectations (31). If there is one good starting point for insights into customer satisfaction, it is customer loyalty. The behavior of returning customers and new customers providing you with good reviews is your first insight into their loyalty. (33) has defined loyalty as "an intensely held promise to repurchase a preferred product/service every time in the future, in so doing cause repetitive same brand or same brand set buying, despite situational effect and marketing efforts having the potential to cause to switch behavior". Customer loyalty is viewed as the strength of the relationship between an individual's relative attitude and re-patronage, (16).

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4. H<sub>04</sub> there is no significant relationship between product quality and customer loyalty.

According to (10), loyalty can be construed as the association between an individual's attitudinal predisposition towards an object and the repeat patronage of that object. Preferences result in attitudinal loyalty, as the customers tend to develop an attitude of liking or preferring certain products to others (14) cited in (31). (3), contend that when customers fail to use a previous product, but rather goes for the substitutes, it confers dissatisfaction towards the previous product.

H<sub>05</sub> there is no significant relationship between product packaging and customer loyalty. (2) carried out a study in Enugu, Nigeria on assessment of determinants beer brand loyalty building in Nigeria and challenge. The study seeks to ascertain; how quality and price, availability, awareness creation of beer can build strong customers loyalty and to establish if competition amongst existing Beer brands in Nigeria can pose significant challenge to building Beer brand loyalty. A cross sectional survey was adopted for the study. Questionnaire was used to elicit relevant data from 411 consumers and 229 marketers that constituted the respondents. Data collected were analyzed and presented in a cross-tabulations frequencies and percentages while hypotheses formulated for the study were tested using inferential statistics. The findings revealed that quality and price of beer, availability, awareness creation about existing brands of beer, respectively lead to building beer brand loyalty and that existing different brands of beer in Nigeria lead to increase in competition and to a challenge in building Beer brand loyalty. It was drawn that in building Beer brand loyalty, quality should be aligned with price as a justification and perceived by the consumers. Moreover, ensuring availability and creation of product awareness because is mainly when consumers can access brand of Beer through proper awareness, that loyalty abound. Breweries in Nigeria need not therefore rest on their competitive advantage but should continually improve on product quality and other factors established through research as propelling forces to loyalty.

(38), did a study on the effect of brand name on customer loyalty in the mobile communication industry in Ghana. The purpose of this study was to investigate the extent to which brand name contributes to customer loyalty in mobile telecommunication brands in Ghana. The study captured both qualitative and quantitative data. Data collection was conducted through a survey questionnaire comprising open and closed ended questions. To get the sample size for the study, 120 respondents were selected using simple random sampling but 150 were contacted because of data collection limitation such as non-response. Statistical package for Social Sciences

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(SPSS) was used for data analysis. Statistical analysis includes Pearson correlation, logistic regression and descriptive statistics. Pearson correlation and regression were used to analyze the consumer reasons for choosing a particular network as well as the relationship between customer association and brand attributes. The study found that, brand name does not really contribute to consumer loyalty. Other factors such as the quality, price, availability, and sales promotion also contribute to consumer loyalty. The study however revealed that, there are factors such as price, quality, and brand name that consumers consider when making a purchased decision, however, they mostly associate quality with the name of the mobile network brand purchase. Thus, any mobile network brand purchase is because of the quality but not necessarily the name.

To (1), customers' do find significance in identifying with better product brands. It is therefore imperative that brewery firms market their products as the best products on the market. That way, it is much easier to get customers who would like to identify themselves with quality. (2), argue that companies make products while the customers make the brand. In essence, the relationship between a brand and a product is an intricate one as the relationship between customers and organizations. (26) cited in (3)] defined customer loyalty as a deep-held commitment to re-buy or re-patronize a preferred product in the future despite situational in fluence and marketing efforts having the potential to cause switching behaviour and recommending the product to friends and associates.

H<sub>06</sub> there is no significant relationship between brand name and customer loyalty.

# 3. Methodology

The data was gathered through questionnaire involving Nigerian Breweries Plc customers who have drank Star larger beer. The respondents were randomly selected from South-East Nigeria; Umuahia and Enugu metropolis in particular. As such the study relied on the Nigerian Breweries Plc customers who were available on request. The choice of Umuahia metropolis and Enugu metropolis from South-East were because Nigerian Breweries Plc situated their brewery plants in the states and they have been embarking on product innovation ever since then. Also, these two cities are dominated by civil servants who take out time for relaxation. The questionnaire administered to the customers contained measures of product quality, product packaging, brand name, customer loyalty and repurchase retention as well as questions used to elicit demographic information.

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In all, 600 customers were approached. The refusal rate was above 34.6%. 392 respondents agreed to participate but only 280 were valid for final analysis. The rest were not used for related incomplete data, responses bias and inappropriate responses. Age distribution of respondents: 86 (30.7%) are between 18-27 years of age; 118 (42.1%) fall within 28-45 years of age; while 76 (27.1) are within 46 years and age bracket. The implication of this is that the respondents are of reasonable age to give valid information. On the sex, 125 (44.6%) of the respondents are females while the remaining 155 (55.5%) respondents are males. On marital status, 159(56.8%) of the respondents married while 121(53.2%) of the respondents are single. On education, 66(23.6%) are SSCE holders, 145(51.8%) are holders HND/BSc degrees while the remaining 69(24.6%) are holders MSc/Ph.D. The income level of the respondents indicates that 8 (2.9%) of the respondent are low income (N 20,000-N50,000) earners, 137 (48.9%) of the middle income(N51,000-N100,000) earners while 136 (48.2%) of the respondents are high income (N 100,000-and above) earners. Finally, most respondents were found to have a monthly average income varying between N51,000 to 100,000 which shows a relatively middle-income earner. Finally, the percentage of responses from each of the two states of south east Nigeria were proportional to their population respectively. Durbin Weston was used to test for autocorrelation in this study. The Durbin Weston value according to our result is 1. 494. The acceptable threshold is that the value must be close to two. In this study, the value is not close to two but the researcher did not border about it because, other basic parametric assumptions have been achieved in the study. Again, the transformed nature of the data used in the analysis was also considered to be the reason for not achieving a figure that is close to two.

# 3.1 Analysis and results

# 3.1.1 Assessing Multicollinearity of measurement model

This study, robustness checks were done to guarantee the output of the analysis that there is no existence of multi-collinearity setback, given the nature of research variables of the study. To achieve this, multi-collinearity diagnostics test was done because non-existence of multi-co linearity problem is statistically essential. The non-existence of multi-co linearity is established when the tolerance value is substantially below 0.10 and the corresponding values of variance of inflation factor (VIF) is above 5. Our result shows that the tolerance value of all the variables in the study agree with the above conditions. For instance, see table 5 showing the range of the Tolerance and VIF values.

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Table 1. Reliability, validity and internal consistency Analysis

Factor	Reflective item	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Standardize d Cronbach's Alpha	Cronbach's Alpha if Item loading
Product Quality	I am satisfied with the product because of the taste.	13.5250	8.580	.832	.782
	I am satisfied with the product because of the flavor	13.5643	12.254		.618
	I am satisfied with the product because of the aroma the product	13.8250	9.643		.503
	I am satisfied with the product because of the level of alcohol content	14.0929	8.844		.681
Duo Juot	I am satisfied with the appearance (color) of the product	13.6500	8.422		.718
Product Packaging	I am attracted to product due to the charming color of the pack.	13.0179	5.853	.655	.530
	I feel more comfortable with the size of the bottle Graphical designs of the product package	12.9000	5.223		.718
	lured me in buying the product.  The standard of the picture quality of the	13.7714	5.302		.540
	product package is appetizing.  I can easily identify the product at first sight	13.3321	4.445		.594
Brand	due to unique nature of the package.  I choose the product because I am satisfied	13.1643	4.783		.749
Name	with brand name	12.7571	6.507	.687	.610
	Brand name gives the satisfaction I want I prefer the brands on the company I already have experience	12.2500 12.9000	8.346 5.359		.793 .605
	Price is the moderator of brand choice and not satisfaction	12.5893	6.078		.772
	Income affect the choice of my brand and not satisfaction	12.1464	5.222		.574
Customer Loyalty	Spreading the good news about their products by others	9.6357	4.999	.662	.516
	Buying more product	9.5179	3.763		.477
	Not considering other competing brands	10.3893	3.730		.736a
	Joining the brand's social and media community activities	9.9500	3.359		.556
Repeat Purchase	Spreading the good news about their products by others	12.1464	5.222	. 762	.674
	Buying more product agree	12.6250	6.802		.779 510
	Not considering other competing brands Joining the brand's social and media community activities	12.1179 12.7679	6.355 5.362		.519 .765
	I usually supporting the brand (purchasing promotion item)	12.4571	6.701		.586

**Source:** SPSS statistics 23,2020

The purpose of reliability assessment in survey research that involves use of questionnaire instrument is to ensure that the research instrument prove consistency beyond reasonable doubt in repeated applications. In this study, the reliability assessment was done to achieve this purpose. Accordingly, the minimum benchmark that must be achieved to establish reliability of

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research instrument is 50% value of Cronbach's alpha ( $\propto \geq 50\%$ ). The results of our reliability test indicate an excellent reliability result. From our results for instance, the overall Cronbach alpha standardized values for the six variables range between 83% (the highest value) and the lowest value of 65% at both extremes.

The individual reflective indicators or the questionnaire item also showed high level of reliability with adequate scale mean with the provision for deletion of item. The reliability of the individual questionnaire item was tested for the purpose of internal consistency. The result shows a reliability output that indicate high level consistency between the overall standardized Cronbach's Alpha results for the six major constructs or variables and the individual reflective construct or the questionnaire items. The values range from 79% to 50% except for one reflective item in customer loyalty construct (buying more product) 47% was recorded. Though there were provisions for deletion of item in the scale, no item was deleted as the researcher deliberately ignored it because of the good result already achieved in the majority of the variables and the reflective constructs.

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**Table 2: Correlation Matrix** 

		Sum_PRO DQUALIT Y	Sum_PRODP ACK	Sum_BRAND NAME	Sum_Customlo yalty	Sum_REPEAT PUR
Sum_PR ODQUA LITY <sup>4</sup>	Pearson Correlation	1				
	Sig. (2-tailed) Sum of Squares and Cross- products	86.671				
	Covariance	.311				
	N Pearson	280				
	Correlation	.061	1			
Sum_PR	Sig. (2-tailed) Sum of Squares	.310				
ODPAC K	and Cross- products	4.636	66.776			
	Covariance	.017	.239			
	N	280	280			
	Pearson Correlation	1.000**	.061	1		
Sum_BR	Sig. (2-tailed) Sum of Squares	.000	.310			
ANDNA ME	and Cross- products	86.671	4.636	86.671		
	Covariance	.311	.017	.311		
	N	280	280	280		
Sum_Cu stomloya lty	Pearson Correlation	.034	.878**	.034	1	
	Sig. (2-tailed)	.566	.000	.566		
	Sum of Squares and Cross-	2.930	65.543	2.930	83.403	
-5	products Covariance	.011	.235	.011	.299	
	N	280	280	280	280	
Sum_RE PEATP UR	Pearson Correlation	.780**	.400**	.780**	.146*	1
	Sig. (2-tailed)	.000	.000	.000	.015	
	Sum of Squares and Cross-	66.249	29.845	66.249	12.134	83.271
	products Covariance	.237	.107	.237	.043	.298
	N	280	280	280	280	280
	tion is significant at on is significant at the	the 0.01 level (2	2-tailed).			

**Source:** SPSS 23, 2020

# 4. Test of Hypotheses

Table 3 and 4 summarized the results of the six hypothesized relationships. Results clearly indicate that the P-value in respect to hypothesis one is 0.028 with corresponding t-value of

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0.507. In line with the decision rule guiding the study, the above P-value falls within the acceptable significant levels at 1% level of significant. Based on the result presented above and guided by the decision rule stated, the authors reject the null hypothesis and accepts the alternate hypothesis. The implication of this decision is that there is a significant positive relationship between product quality and repurchase intention among the consumers of brewery products in Nigeria. The beta value of 0.182 indicates that 18 percent increase in the quality of brewery product brings about 2 percent increase in repurchase intention among consumers, all things being equal. Product packaging has positive significant relationship with repurchase intention among brewery product consumers in Nigeria. In respect to hypothesis two, the beta value of 0.887 shows that 37 percent increase in product packaging, increase repurchase intention by 1 percent, if all other factors are held constant. The result in hypothesis three indicates that Pvalue is 0.720 with corresponding t-value of -0.828. From the result recorded, the authors reject the alternate hypothesis and accepts the null hypothesis. This means that there is no significant relationship between product brand name and repurchase intention among brewery product consumers in Nigeria. The result for hypothesis four indicates that P-value is 0.106 with corresponding t-value of 0.731. From the result recorded of hypothesis four, the researcher rejects the hull hypothesis and accepts the alternate hypothesis. This is statistically significant at 10 percent level. It therefore means that there is a positive significant relationship between product quality and customer loyalty among brewery product consumers in Nigeria. It implies that quality of product can an attraction for repeat purchase by consumers. Thus, according to the result, 4 percent increase in quality of product leads to about 10 percent increase the level of loyalty by consumers of the products if other factors are held constant. From the analysis, the result for hypothesis five shows that P-value is 0.709 with corresponding t-value of 2.142. Based on the result, the authors reject the alternate hypothesis and accepts the null hypothesis. This means that there is no significant relationship between product packaging and customers' loyalty among brewery product consumers in Nigeria. The result for hypothesis six indicates that P-value is 0. 012, with corresponding t-value of -0.165. From the result recorded of hypothesis six, the researcher rejects the hull hypothesis and accepts the alternate hypothesis. This is statistically significant at 1 percent level. It therefore means that there is a negative significant relationship between product brand name and customer loyalty among brewery product consumers in Nigeria.

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**Table 3: Regression Results for Model 1: Repurchase Intention** 

<sup>5</sup> Variables	Std. Error	Beta Coefficients	t. stat.	Prob.
Constant	0.167	-	.287	0.000
Sum-ProductQaulity	0.028	0.182	.507	0.028
Sum-ProductPackage	0.037	0.887	27.128	0.010
Sum-BrandName	0.039	0.028	-0.828	0.920
T-stat.		1.62		

Source: SPSS Statistics 23, 2020.

**Table 4: Regression Results for Model 2: Customer Loyalty** 

Variables	Std. Error	<b>Beta Coefficients</b>	t. stat.	Prob.
Constant	.125	-	.343	.000
Sum-ProductQaulity	.049	.048	.731	.106
Sum-ProductPackage	.030	.014	2.142	.709
Sum-BrandName	.041	.992	165	.012
T-stat.		2.571		

Source: SPSS Statistics 23, 2020.

**Table 5: Diagnostic Check** 

Variables	Tolerance	VIF value
Sum-ProductQaulity	0.019	34.924
Sum-ProductPackaging	0.004	52.209
Sum-BrandName	0.118	68.161
R. square	0.772	
Adjusted R-square	0.792	
Durbin Wastin	1.494	

**Source:** SPSS 23, 2020

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### 5. Discussion and conclusion

This study originally offers insight into the relationship between product innovation and customer satisfaction in Nigeria Brewery Industry. The global market today has become so diversified that consumers have more interests in new things, because their needs and tastes are constantly changing. These changes in their consumption pattern therefore, calls for firms to adapt the use of innovation, as possible and significant way to satisfy their customers. The study was based on sample of 280 captive sample from the customers. Questionnaire was the major instrument used for primary data collection. In this study the descriptive statistics such as frequency counts with simple percentage were used to analyze some data. Hypotheses were tested by the researchers since the overall objective of the study is to examine the relationship between product innovation and customer satisfaction in Nigeria, using customers of Nigerian Breweries as the case study. In line with the research objective, multiple regression method anchored on Ordinary Least Square (OLS) and correlation analyses were employed for testing the hypotheses of this study. The findings of this study indicate that: There is a positive significant relationship between product quality and repurchase intention among the consumers of brewery products in Nigeria. The beta value of 0.182 indicates that 18 percent increase in the quality of brewery product brings about 2 percent increase in repurchase intention among consumers, all things being equal, there is a positive significant relationship product packaging and repurchase intention among brewery product consumers in Nigeria. Again, the beta value of 0.387 shows that 38 percent increase in product packaging, increase repurchase intention by 1 percent, if all other factors are held constant, there is no significant relationship between product brand name and repurchase intention among brewery product consumers in Nigeria. The implication of this result is that there are people who can drink alternative choice of brand name if the brand they are used to are not available so long the one available can give them the desired satisfaction; there is a positive significant relationship between product quality and customer loyalty among brewery product consumers in Nigeria. It implies that quality of a product can an attract repeat purchase by consumers, and here is no significant relationship between product packaging and customers' loyalty among brewery product consumers in Nigeria. The implication of this result is that product packaging only cannot guarantee customer loyalty, and there is a negative significant relationship between product brand name and customer loyalty among brewery product consumers in Nigeria. Also, the implication of this result is that brand name cannot lead to loyalty except if the product has the quality that can

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give the customers maximum satisfaction since satisfaction is the main ultimate goal of every customer. Customer satisfaction therefore refers to the pleasure, rest of mind or re-assurance an individual gets when he or she purchases and/ or consumes a product that meets his/her needs as earlier cited in the literature. Thus, the need for proper understanding of the construct of the relationship between product innovation and customer satisfaction by companies in brewery industry becomes imperative. The authors made following contributions:

- The findings and recommendations of this study serves as precaution to managers of organizations and marketers in formulating marketing strategies that would deliver quality product to their customers resulting in maximum satisfaction.
- 2. This study is one of the few studies in this part of the world that looked into the relationship between product innovation and customer satisfaction in brewery industry in South-East Nigeria.
- 3. This study also will serve as viable research reference material to research students studying the relationship between product innovation and customer satisfaction in brewery industry in developing economies and Nigeria in particular.

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