



ADDIS ABABA UNIVERSITY
COLLEGE OF BUSINESS AND ECONOMICS SCHOOL
OF COMMERCE

Organizational Determinants of New Product Success:
The Case of Habesha Breweries

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ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE DEPARTMENT OF
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STATEMENT OF DECLARATION

I, Eleni Asmare, declare that this thesis entitled: “Organizational Determinants of New Product Success The case of Habesha Breweries” and submitted in partial fulfilment of the requirements for the degree of Master of Arts in Marketing Management is the outcome of my own effort and study. All sources of materials used for the study have been duly acknowledged. I have produced it independently with only the guidance and suggestions of the thesis advisor. The study complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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STATEMENT OF CERTIFICATION

This is to certify that the thesis prepared by Eleni Asmare, entitled “Organizational Determinants of New Product Success The case of Habesha Breweries” and submitted in partial fulfilment of the requirements for the degree of Master of Arts in Marketing Management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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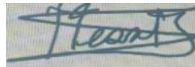
DECLARATION

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This is to certify that the thesis prepared by Eleni Asmare, entitled: “Organizational Determinants of New Product Success The case of Habesha Breweries” and submitted in partial fulfilment of the requirements for the degree of Master of Arts in Marketing Management complies with the regulations of the University and meets the accepted standards with respect to originality and quality.

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Abstract

This thesis investigates the organizational determinants of new product success, focusing on Habesha Breweries, a key player in Ethiopia's competitive brewing industry. The study examines how new product development (NPD) strategies, senior management commitment, development culture/climate, and market environment factors collectively influence the success of new product launches. Employing a quantitative research approach, the research integrates quantitative data from company records and from industry professionals. The findings highlight that a well-defined NPD strategy, supported by robust senior management commitment and a conducive organizational culture, significantly enhances the success of new products in the market. The study emphasizes the necessity of adapting NPD practices to local market conditions, suggesting that tailored strategies which consider Ethiopia's unique cultural and economic landscape are essential for sustained product success. Key results indicate that Habesha Breweries' comprehensive NPD strategy effectively identifies customer needs and market trends, fostering innovation and rapid product development. The commitment of senior management plays a crucial role in providing the necessary resources and strategic direction, while a supportive development culture encourages creativity, cross-functional collaboration, and continuous improvement. Market environment factors, such as economic conditions and consumer preferences, also significantly impact new product success. This research contributes to academic discussions on strategic management and product innovation, offering practical insights for Habesha Breweries and similar organizations in emerging markets. It underscores the importance of an integrated approach to NPD, combining strategic planning, organizational support, and market alignment to optimize product portfolios and enhance competitiveness.

Keywords: *New Product Development, Organizational Culture, Senior Management Commitment, Market Environment Factors, Product Innovation Success*

CHAPTER ONE

INTRODUCTION

This chapter provides introductory information. The study proposal includes a background, problem description, research questions, objectives, significance, scope, constraints, and organization.

1.1 Background of the Study

In the constantly changing world of business, innovation is the key driver that pushes companies toward growth and market leadership. The essence of innovation is found in the effective creation of new products that connect with customers and provide value. Consequently, New Product Development (NPD) is essential for companies striving to stay competitive and address the ever-changing needs of consumers (Cooper, 2001). However, the path of NPD is often challenging, filled with potential failures and lost opportunities. Thus, understanding the crucial factors that contribute to success is vital.

The New Product Development (NPD) process is a complex, structured approach that involves conceiving, designing, and launching new products into the market (Ulrich, 2015)). As noted by (Cooper, 2011) NPD is not just about transforming an idea into reality; it involves a comprehensive strategy that takes a product from its initial concept to its market debut. An article by Ulrich (2015) highlights that NPD includes several stages—ideation, concept development, prototyping, and commercialization—each requiring meticulous planning and strategic choices. (Lepak, 2005) underscores that a strong NPD strategy is fundamental to a company's identity, influencing its product lineup and competitive position.

Additionally, researchers like (Cooper, 2001) emphasize the iterative nature of NPD, where feedback loops and ongoing refinement are crucial for adapting to changing market conditions and ensuring the product meets consumer needs. Effective NPD strategies are defined by a market orientation that aims to exceed customer expectations, technological capabilities that turn innovative ideas into reality, and cross-functional integration that fosters collaboration across departments to speed up development ((Green, 2001); (Griffin, 2011); (Hsu, 2007)). Grasping the complexities of how the NPD process relates to the success of new products is vital for companies looking to enhance their innovation efforts.

The success of a new product is like a multifaceted gem, shining through various dimensions, each requiring careful attention. A key criterion is market performance, which is foundational to success and can be measured by sales volume, market share, and profitability. Equally important is

technological performance, assessing the product's technical excellence, its ability to meet functional needs, and its capacity for future improvements (Crawford, 2005). Additionally, perceived market acceptance measures customer satisfaction, brand loyalty, and positive word-of-mouth, indicating the product's emotional resonance with users (Ailawadi, (2001).). Achieving success across these dimensions necessitates a strategic approach that optimizes various factors during development. A well designed New Product Development (NPD) strategy significantly influences the development process and impacts a product's market performance. Research by (Montoya-Weiss, (2011)) shows that companies with strong NPD strategies consistently achieve better market performance, with higher sales volumes, increased market share, and greater profitability compared to those with less strategic approaches.

According to (Crawford, 2000), well-defined strategies lead to improved technological outcomes, creating products that are technically superior, effectively meet functional requirements, and offer greater potential for future enhancements. These strategies also boost customer satisfaction, fostering loyalty and increasing the likelihood of positive recommendations. This highlights the crucial role of a well-crafted NPD strategy, similar to a conductor orchestrating various elements such as market insight, technological expertise, and cross-functional collaboration, to achieve the harmonious success of the entire development process.

New product success encompasses multiple dimensions, aligning with both academic perspectives and industry standards. According to Cooper (2001), the success of a new product can be determined by its performance in the market relative to predefined goals, including financial returns, market penetration, and customer acceptance. This multidimensional perspective is crucial in evaluating new product outcomes within competitive industries such as brewing. New product success is evaluated through a blend of financial and non-financial indicators. Financially, success can be measured by sales volume, revenue growth, and profit margins, which are tangible and quantifiable outcomes (Cooper, 2011). Non-financial measures, however, include market share expansion, customer satisfaction, and brand recognition, which are equally vital for sustaining long-term competitive advantages (Hultink & Robben, 1999). These metrics align with the comprehensive definition provided by Griffin and Page (1996), who outline that new product success must consider both these aspects to provide a holistic view of performance.

1.1.1 Background of the organization

Habesha breweries, the case study of this thesis, built its beer manufacturing plant in DebreBirhan city, 120 km north of Addis Ababa, which has a production capacity of 650,000 hectolitres established in 1997. The company has progressively expanded its product offerings, venturing into various beverage categories including both alcoholic and non-alcoholic options and draught beverage. Since its establishment in 1997, Habesha Breweries has carefully extended its range of products into several different beverage categories. Initially starting with one premium Beer to adding one premium non-alcoholic drink, 2 budget drinks and Draught line. Over the years, Habesha Breweries has not only expanded its product range but also its market reach, adapting to the changing socio-economic landscape of the country. This study explores how Habesha Breweries diverse product portfolio, focus on local preferences, and agility in adapting to market dynamics potentially contribute to market share growth, customer satisfaction, and overall new product success within the Ethiopian context.

1.2 Problem Statement

As mentioned earlier, in today's dynamic and competitive business environment, successful new product development (NPD) is essential for organizational growth and survival. Companies are continuously seeking to innovate and introduce products that connect with consumers and succeed in the market. However, many new products fail, underscoring the importance of understanding the factors that influence their performance. This thesis aims to explore the impact of NPD strategies and other factors on new product success.

According to (Cooper, 2011), the factors that influence new product success include proficient launch execution, effectively meeting customer needs better than competitors, product quality, prototype testing, targeted sales efforts, and understanding buyer behavior and the customer's purchase decision process. Each element uniquely contributes to the overall success of new product development. Cooper discusses that success relies on how well the product is introduced to the market and how effectively it meets customer requirements compared to competitors. He emphasizes the importance of product quality, rigorous testing for refinement, and focused marketing and sales strategies. Additionally, understanding customer purchase decisions can guide product development and marketing. Cooper highlights the importance of integrating these elements—customer needs, market understanding, and quality control—within the development process to maximize the chances of new product success.

The research conducted by (Hurt, 2003) underscored the challenge of employing diverse metrics to gauge success, highlighting both financial and non-financial aspects. These factors entail considering

the interplay of various success indicators, such as market share, profitability, customer satisfaction, and technical progress, in contributing to the overall success of new product endeavors. The article underscores the intricate and multifaceted nature of defining and assessing success in NPD. According to the author, metrics such as sales and profitability directly signify market success and the financial sustainability of the product, falling within the realm of financial outcomes. Conversely, factors like market share, customer satisfaction, and technical progress reflect the broader impact of the product, encompassing aspects like customer engagement and technological advancement, and fall under non-financial outcomes.

An article authored by (Bhuiyan, 2011) presents a comprehensive framework that encompasses various stages of NPD, such as New Product Strategy, Idea Generation, and Development. The research highlights the significance of aligning organizational strategy with NPD efforts and underscores the role of customer-centric idea generation and efficient development processes in achieving success in NPD initiatives. According to Kobu (2006), critical elements for the success of new products include soliciting customer input, adhering to new product development plans and procedures, and understanding market needs and competition. They stress the strategic alignment of product performance with market demands and effective management of the development process to mitigate risks associated with product failure.

According to (Yusof, 2014) three key elements contribute to the success of new products: top management commitment, continuous improvement processes, and the utilization of quality tools. The research reveals that these components collectively account for a significant portion of the variation in new product performance. The authors underscore the critical role of top management commitment in establishing a vision, allocating resources, and cultivating a culture that prioritizes quality and innovation in new product development. They also stress the importance of systematic processes, ongoing improvement efforts, and adherence to quality standards throughout the product development lifecycle. Additionally, they highlight the importance of designing new products with quality in mind to meet or exceed customer expectations and comply with quality benchmarks. In contrast, a study by (Pienaar, 2019) conducted in South Africa examines success and failure factors in NPD within a chemical company, offering insights relevant to other African contexts. The authors note that the organization's NPD framework is uniformly applied to all projects but yields varying success rates.

The critical success factors and critical failure factors were categorized into three groups: input requirements, stage kick-off guidelines, and continuous prompts. These elements are proposed in this style as possible improvements to the company's current framework for developing new products. A case study conducted by (Ismail, (2012).) investigates critical factors for NPD success in technology firms, which could be pertinent to tech startups in Africa. The authors emphasized the significance of

NPD in maintaining competitiveness and achieving business growth. Among the critical success factors for new product development (NPD) in technology-based firms identified by the authors are the role of top management, high-quality execution of all activities, incorporating customer feedback, and fostering cross-functional teamwork.

While extensive research has delved into NPD and its determinants of success, a gap remains in comprehensively examining the interaction between NPD strategies, senior management commitment, NPD culture/climate, market environment factors, and their collective impact on new product success, particularly in the brewery sector. Existing literature has mainly focused on individual elements, with few studies addressing their combined influence. Habesha Breweries currently operates five bottling lines and two draught lines, each with varying levels of product success. This research aims to investigate this interaction, which is essential for providing a comprehensive understanding of the drivers of new product success, enabling Habesha Breweries and other brewery companies to make well-informed strategic decisions for optimized outcomes. Companies in Ethiopia, especially those in the brewery sector, frequently introduce various product lines, making this research valuable for the management team of Habesha Breweries and other companies in the same sector by bridging the empirical gap concerning new product development strategy and new product success.

1.3 Research Questions

1.3.1 Main Research Questions

What is the Effect of New product development on New Product success of Habesha Breweries?

1.3.2 Sub-research Questions

- What is the effect of new product Strategy on New product success in Habesha Breweries?
- What is the effect of senior management commitment and New Product success in Habesha Breweries?
- What is the effect of new product development culture/climate on New Product success in Habesha Breweries?
- What is the Effects of Market Environment Factors on New product success in Habesha Breweries?

1.4 Research Objective 1.4.1 Main

Research Objective:

To examine the Effect of New product development on New Product success of Habesha Breweries in Ethiopia?

1.4.2 Specific Objective

- To assess the effect of new product development strategy on new product success in Habesha Breweries.
- To assess the effect of senior management commitment and New Product success in Habesha Breweries.
- To assess the effect of new product development culture/climate on New Product success in Habesha Breweries.
- To assess the effects of Market Environment Factors on New product success in Habesha Breweries.

1.5 Significance of the study

This Study is significant as it illustrates the correlation between New product development Strategies and New product success in the context of Habesha Breweries, the findings of this study will theoretically contribute, as it delves into an under explored area by providing a deeper understanding of how New product development strategy affect New product success, thus enhancing the theoretical underpinnings of strategic management.

The findings of this research will also be informative to Habesha Breweries and the brewing industry as a whole. It will assist Management team of Habesha Breweries in optimizing strategic decisions behind new product development and better aligning its strategic initiatives.

1.6 Scope of the Study

This thesis investigated the complex interplay between new product development strategies and their success within the context of Habesha Breweries. It delved into the theoretical frameworks that underlie new product strategy, senior management commitment, development culture/climate, and the impact of market environment factors on product success. Drawing upon established theories in marketing and organizational behaviour, the study aimed to connect theoretical insights with practical outcomes in the brewery industry, thus enriching the broader discourse on innovation management (Cooper, (2001)) (Teece, (2007).). Utilizing existing literature, the research explored how these factors shape the success of new products in the brewing industry, with concepts such as innovation management, strategic decision-making, organizational culture, and market analysis forming the core framework for understanding new product success at Habesha Breweries.

Employing quantitative research design, this study systematically examines the effects of new product development strategies on product success at Habesha Breweries. Quantitative data was gathered from various sources, including company reports and sales records, to evaluate the impact of new product

strategy, senior management commitment, new product development culture/climate, and market environment factors on new product success at Habesha Breweries. Statistical analysis techniques such as regression analysis will be employed to identify correlations between these variables.

The geographical focus of this study was restricted to Habesha Breweries, with an emphasis on its operations and market presence in Addis Ababa. By concentrating on a specific geographical area, the research aimed to offer a detailed analysis of how new product development strategies and external market factors impact new product success within the context of Habesha Breweries' primary market focus. Data collection and analysis will centre on the company's activities and performance in Addis Ababa, facilitating a targeted examination of the factors influencing new product success in this specific market.

By addressing the outlined theoretical, methodological, and geographical scope, this thesis aimed to provide a comprehensive understanding of the impact of new product development on new product success at Habesha Breweries, shedding light on the strategic, organizational, and environmental factors that contribute to successful new product launches in the brewing industry.

1.7 Limitation of the study

The proposed research methodology has several limitations. The reliance on secondary data may not provide enough depth and nuance to fully understand the relationship between new product development and new product success. Additionally, the focus on a single case study limits the generalizability of the findings. The use of surveys may introduce subjective biases.

1.9 Organization of the Study

Chapter one sets the stage for the research, introducing the background, significance, and objectives of the study. It outlines the research questions focusing on new product strategy, senior management commitment, new product development culture/climate, and market environment factors' effects on new product success at Habesha Breweries.

The second chapter will review relevant theoretical and empirical literature on new product development, including frameworks and models that underpin the study's theoretical basis. It critically evaluates previous studies on new product success factors, highlighting gaps the current research aims to fill.

The Third Chapter Will Describes the research design, including the approach (qualitative, quantitative, or mixed methods), data collection techniques (surveys, etc.), and analysis methods. This chapter details the operationalization of research questions, describing how each will be investigated.

1.10 Definition of Terms

- **New Product Development:** A systematic approach encompassing the conception, design, and marketing of new products. It involves stages such as ideation, concept development, prototyping, and commercialization, aimed at meeting consumer needs and achieving market success.
- **New Product Strategy:** The overarching plan that guides the development of new products, incorporating market analysis, innovation management, and strategic decision-making to ensure alignment with consumer demands and competitive advantage.
- **Senior Management Commitment:** The extent to which top-level executives support and prioritize new product development within the organization, including providing resources, setting a vision, and fostering a culture that values innovation.
- **New product development Culture/Climate:** The organizational environment that promotes or hinders the development of new products, characterized by factors such as openness to innovation, cross-functional collaboration, and a tolerance for risk and failure.
- **Market Environment Factors:** External conditions and trends that influence the success of new products, including market demand, competitive landscape, regulatory changes, and technological advancements.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

This section discusses the theoretical and empirical literature on customer relationship marketing, as well as the study's conceptual framework.

2.1 Theoretical Literature Review

2.1.1 Diffusion of Innovation Theory

The Diffusion of Innovation Theory, formulated by (Rogers, (2003)), presents a comprehensive framework for comprehending the adoption and dissemination of novel ideas, products, or innovations. Its key components encompass the innovation itself (such as your new product), the communication channels disseminating information about it (e.g., advertising, social media), the adoption rate over time, the social system affected (including consumers and competitors), and individual decision making within that system. While the model excels in providing a structure for understanding adoption behaviour and pinpointing factors like perceived benefits and ease of use that influence it, it receives criticism for its simplistic approach, oversight of individual differences, and static nature. Utilizing this theory in the context of this thesis proves pertinent for evaluating the impact of the new product strategy. It allows for the analysis of innovation attributes such as relative advantage, compatibility, complexity, trialability, and observability. Furthermore, it facilitates an understanding of the influence of senior management commitment on new product success, considering their role as opinion leaders and the impact of their communication.

Moreover, the theory assists in exploring how organizational culture and market environment factors align with innovation characteristics and affect the adoption of new products.

2.1.2 Stage-Gate Model

The Stage-Gate Model is a widely utilized framework for overseeing the process of new product development (NPD), dividing it into distinct stages marked by crucial decision points known as "gates" (Cooper, (2001).). Each stage concentrates on specific tasks, spanning from idea generation and concept development to prototyping, testing, and eventual launch. At each gate, a cross-functional team conducts a formal evaluation, assessing the project against predefined criteria and making a "go/kill" determination to either progress to the subsequent stage or terminate the project (Griffin, 2011).)

The model boasts several strengths, including its methodical and disciplined approach, which minimizes confusion and waste (Cooper, (2001).)Furthermore, the formal gate reviews aid in risk

management by ensuring that projects meet specific success benchmarks before advancing, thereby reducing resource wastage (Griffin, 2011).). Moreover, involving cross-functional teams promotes knowledge sharing, alignment, and ultimately, enhances decision-making throughout the NPD process (Cooper R. G., 2001).

However, critics argue that the Stage-Gate Model can be overly rigid and bureaucratic, potentially stifling creativity and adaptability (Benedetto, (2002)). The gate reviews themselves might introduce delays and impede rapid iteration, thus potentially slowing down development cycles (McGrath, 2005). Additionally, the model's focus on internal metrics may result in overlooking valuable market feedback and the ability to adapt to external changes (Benedetto, (2002)) ultimately, its success depends on robust leadership and commitment from all stakeholders within the organization (Cooper R. G., 2001).

The Stage-Gate Model can be utilized to systematically explore the influence of new product strategy, senior management commitment, new product development culture, and market environment factors on various stages of the NPD process.

2.1.3 Technology-Organization-Environment (TOE)

The Technology-Organization-Environment (TOE) framework, conceptualized by (Tornatzky, 1990) presents a comprehensive approach to grasping the integration of technological innovations within organizations. Consisting of three dimensions—Technology, Organization, and Environment—the framework explores the interplay of these elements in shaping the successful adoption of technology. The TOE model is esteemed for its all-encompassing viewpoint and its ability to forecast outcomes, allowing for an examination of how the interaction between technology, organizational factors, and the external environment influences the adoption process. It offers a holistic perspective on the factors influencing innovation success, being relatively straightforward and facilitating a comprehensive understanding.

However, critics have pointed out potential complexities and difficulties in adapting to dynamic environments. Despite this, the TOE framework remains a valuable tool for analyzing how the technological attributes of new products align with organizational capabilities, the influence of senior management commitment on technology adoption, and the impact of organizational culture and external market factors on the success of new products. In essence, it provides a thorough and inclusive lens for analysis.

2.1.4 Resource-Based View (RBV)

The Resource-Based View (RBV) is a strategic management framework that emphasizes a firm's internal resources as the primary source of competitive advantage. According to RBV, resources that

are valuable, rare, inimitable, and non-substitutable (VRIN) enable firms to achieve and sustain superior performance. Strengths of the RBV include its focus on the unique capabilities of a firm, which helps in identifying and leveraging internal strengths for competitive advantage. It also highlights the importance of developing and maintaining valuable resources over time. However, RBV has been criticized for its static nature, overlooking the dynamic changes in the external environment and the evolving nature of resources. Identifying and valuing VRIN resources can be subjective and challenging, and there is an overemphasis on internal factors, potentially neglecting external market conditions. Additionally, RBV provides limited guidance on the practical implementation of resource development and exploitation strategies.

The integration of RBV into this research can offer deeper insights into how leveraging internal resources, aligned with strategic planning and management support, can enhance competitive positioning and market performance.

Summary of the models

The four frameworks examined previously are the Diffusion of Innovation Theory, the Stage-Gate Model, the Technology-Organization-Environment (TOE) framework and Resource Based view (RBV) in the context of new product development and adoption.

The Diffusion of Innovation Theory, as proposed by Rogers, sheds light on the adoption and dissemination of new ideas, products, or innovations within a social system. It takes into account factors such as the nature of the innovation, communication channels, and adoption rates over time, and individual decision-making processes. This theory can be utilized to analyse the effects of new product strategies, innovation attributes, senior management commitment, organizational culture, and market environment factors on the adoption of new products.

The Stage-Gate Model, developed by Cooper, presents a structured method for managing the process of new product development by segmenting it into stages separated by decision points or gates. This model ensures that projects meet specific success criteria before progressing, thereby minimizing resource wastage. Nonetheless, critics argue that it may be overly rigid and bureaucratic, potentially inhibiting creativity and adaptability.

The TOE framework, established by Tornatzky and Fleischer, offers a holistic perspective on understanding the adoption of technological innovations within organizations. It examines how technology, organizational factors, and the external environment interact to influence successful technology adoption. This framework can aid in exploring how technological features align with

organizational capabilities, the impact of senior management commitment on technology adoption, and how organizational culture and external market factors influence the success of new products.

Integrating these models into this thesis can provide a comprehensive analysis of the factors influencing new product development and the success of new products. By combining insights from the

Diffusion of Innovation Theory, the Stage-Gate Model, and the TOE framework, the thesis can offer a well-rounded perspective on how new product strategies, organizational dynamics, and external factors interplay to shape the outcomes of new product development endeavours.

2.2 Empirical Literature Review

(Cooper, 2010) underscored the significance of innovation for the survival and prosperity of contemporary corporations, emphasizing the considerable risks and failure rates associated with the introduction of new products. The authors delineate numerous pivotal factors for success, categorizing them into those impacting individual projects and those setting apart top-performing businesses in NPD.

Factors Contributing to Individual Project Success:

Distinctive and Superior Products: The paramount determinant of success, characterized by a high level of differentiation and customer value.

Robust Market Orientation: A comprehensive comprehension of customer needs and preferences, competitive analysis, and market dynamics.

Global Focus: Developing products with a global market perspective to enhance reach and profitability.

Preliminary Work: Thorough groundwork and investigation before commencing product development.

Clear and Early Product Definition: Precise, comprehensive delineations of the product, its target audience, and its unique selling propositions before the commencement of development.

Well-Structured Project Teams: Cross-functional, committed teams led by strong leadership and possessing clear lines of accountability.

Capitalizing on Core Competencies: Exploiting existing strengths, resources, and expertise to bolster new product endeavours.

Factors Distinguishing Top-Performing Businesses:

Right Organizational Culture: A culture that supports innovation, risk-taking, and new ideas.

Product Innovation and Technology Strategy: A clear, strategic direction for product innovation aligned with business goals.

Resource Commitment: Adequate allocation of time, money, and personnel to NPD projects.

Top Management Support: Active support from senior management in terms of resources, strategy, and a conducive work environment.

Tough Go/Kill Decision Points: Rigorous project evaluation and prioritization to focus on the most promising projects.

A Multi-Stage Structured Approach to New Product Development: Implementing systematic methodologies like the Stage-Gate model to efficiently manage the development process from conception to launch. The article concludes that product innovation is paramount for a company's prosperity, and integrating these key success factors can significantly enhance the likelihood of NPD success. Companies that deviate from these principles are prone to experiencing elevated failure rates and may miss out on the potential advantages of successful product introductions.

Drawing from the work of (Barrios, 2008)), which delves into the crucial phase of business analysis within the New Product Development (NPD) process, particularly focusing on small and medium sized enterprises (SMEs), the authors acknowledge the pivotal role of product innovation in sustaining competitiveness amidst the rapidly evolving business landscape. They argue that SMEs encounter specific obstacles in the business analysis phase of NPD due to their scale, resource constraints, and the informal and less regimented nature of their innovation processes in comparison to larger enterprises.

The research endeavours to delve deeper into the approach of small and medium enterprises (SMEs) towards the business analysis phase within the New Product Development (NPD) process. This phase entails assessing the commercial viability of new product concepts through various means such as sales forecasts, cost estimations, profit projections, risk evaluations, and contemplating the potential impact on existing product lines. Adopting an inductive, qualitative research methodology, the study conducts interviews with SME representatives to explore how these entities navigate the intricacies of business analysis.

The findings unveil a framework outlining the business analysis process in SMEs, shedding light on the key considerations during this stage. The research underscores the significance of precise forecasting and the hurdles associated with managing uncertainties, including market acceptance and project development costs. Additionally, it identifies the reliance on cross-functional collaborations

and informal procedures within SMEs, contrasting with the more formalized approaches observed in larger corporations.

The thesis concludes that despite the challenges confronted by SMEs, such as resource limitations and managerial capabilities, these enterprises can effectively carry out business analysis by leveraging their adaptability, closer customer connections, and innovative prowess. Moreover, the study proposes avenues for further exploration, including examining the disparities in business analysis methodologies between SMEs and larger enterprises, and investigating the role of cross-functional collaborations in enhancing the efficacy of business analysis in larger organizations.

This exploration contributes to the understanding of NPD in SMEs by emphasizing the critical role of the business analysis stage and offering insights into the strategies employed by SMEs to overcome their inherent challenges

According to (Cooper, 1990)), optimizing resource allocation could empower firms to refine their innovation strategies and heighten the prospects of success for new products. The article scrutinizes the attributes of projects that are terminated prior to commercialization, referred to as 'kills', in contrast to those that are launched and culminate in either success or failure. This research endeavours to discern the disparities between 'kills' and launched products (whether successful or failed) to enhance the distribution of Research and Development (R&D) resources among proposed projects. The inquiry encompasses an examination of 250 new projects from 125 industrial product firms, categorized into 123 successes, 80 failures, and 47 'kills'.

Key Findings:

Lack of Distinct Patterns between Kills and Failures: Contrary to initial hypotheses, kills did not exhibit similar characteristics to either successes or failures consistently, indicating a more complex relationship than anticipated.

Importance of Product Advantage: Product advantage emerged as a critical factor distinguishing successful products from both kills and failures, underscoring the need for distinct, valuable product features.

Market Attractiveness and Synergy: Variables related to market attractiveness and synergy (the fit between the new product and the company's existing capabilities) were also significant. These factors highlight the importance of understanding market needs and leveraging company strengths.

Competitive Situation's Minimal Impact: Surprisingly, the competitive situation was not a significant discriminator between successes, failures, and kills, suggesting that factors internal to the company and the inherent value of the product might play more pivotal roles in determining new product success.

Errors in Project Evaluation: The study revealed potential errors in evaluating new product projects, including difficulties in assessing product advantages and market opportunities accurately. These errors can lead to misallocation of resources or the premature termination of potentially successful projects.

The findings suggest a nuanced approach to evaluating new product development projects, emphasizing the need for a thorough understanding of product advantage, market attractiveness, and the company's synergistic capabilities. The study also points to the potential for improving decision making processes by addressing biases and errors in project evaluation.

In the rapidly evolving and increasingly competitive landscape of modern industries, businesses face the imperative of strategic decision-making regarding both the nature of their products and the methodologies employed in their development. This necessitates a continual refinement of processes to uphold a competitive edge. According to an article by Molly Hayes (2024), a well-defined product development strategy stands as a cornerstone for achieving success in today's dynamic market environment. Such a strategy should meticulously steer the entire lifecycle of a product, spanning from ideation to commercialization. It transcends mere product creation, incorporating considerations of overarching objectives, customer requisites, and alignment with the company's fundamental principles. By integrating ongoing feedback mechanisms and prioritizing value at every stage of development, businesses can ensure that their products not only address immediate needs but also contribute to sustained growth and competitiveness in the marketplace.

Based on the above-mentioned articles the first Hypothesis for this research thesis:

H1: There is a positive relationship between a new product development strategy and new product success in Habesha Breweries.

(Felekoglu, 2014) extensively examine the critical role of top management involvement (TMI) in the context of new product development (NPD). Acknowledging TMI as a key determinant of NPD success, the authors conduct a meticulous review of existing literature to amalgamate insights and pinpoint areas warranting further exploration. Their thorough analysis encompasses diverse studies, categorized based on their focus, methodology, and analytical scope, revealing a consensus on the influential role of top management in steering and nurturing NPD initiatives. However, the review also uncovers disparities in the operationalization of TMI across studies, a predominant emphasis on

technical aspects over social dimensions of TMI, and a noticeable void in understanding the interplay between top management and NPD teams.

To address these gaps, Felekoglu and Moultrie outline several avenues for future research, advocating for a clearer theoretical framework and operational definition of TMI in NPD. They advocate for a more holistic approach to studying TMI, one that equally considers both technical and social dimensions of top management's involvement in NPD endeavours. The article underscores the necessity for further exploration into the rationales behind top management's engagement in NPD initiatives and the resultant impacts on project success. By shedding light on these aspects, the article not only enriches the academic dialogue on NPD but also furnishes pragmatic insights for organizations endeavouring to bolster their product innovation processes through more strategic top management participation.

In another study, (Gomes, 2003) examine the dynamics between senior management support in NPD and subsequent project performance, employing both quantitative and qualitative lenses. Quantitative analysis, based on survey data from the UK and the Netherlands, reveals a moderate correlation between senior management support and NPD performance across various dimensions including time, cost, and product quality. Qualitatively, the research delves into team members' perceptions of such support and its practical manifestations. It distinguishes between direct effects, such as senior management involvement in decision-making and resource allocation, and indirect effects, like influencing NPD through organizational culture, objectives, and the creation of an innovation-friendly environment. This differentiation elucidates the nuanced and multifaceted nature of senior management's influence within the NPD ecosystem, explaining the relatively modest connection found between senior management support and specific performance metrics.

The study's findings emphasize the intricate nature of senior management's role in NPD success. While their direct involvement in providing resources and making decisions is significant, equally crucial are the indirect influences that shape the organizational and procedural context of NPD projects. For instance, establishing missions and goals that prioritize innovation, ensuring strategic alignment, and implementing systems for learning and knowledge management are essential for creating an environment conducive to successful NPD. This broader perspective of senior management support goes beyond project oversight to encompass a comprehensive engagement with the innovation process, highlighting the necessity for a multifaceted management approach to NPD. The study suggests that while direct support impacts specific performance metrics, the overall culture of innovation cultivated by senior management may have a more profound effect on determining NPD success. According to (Palacios, 2002) top management support, product quality, and the utilization of specific information and manufacturing technologies are of significant importance for product success. The article investigates how various new product development (NPD) techniques influence

product success in Spanish companies, identifying key success factors and assessing the effectiveness of different NPD techniques through empirical research. The authors acknowledged limitations in their study, including potential respondent bias and a relatively small sample size, which may restrict the generalizability of the findings. Additionally, conflicting results were reported, such as the unexpected absence of a positive correlation between rapid prototyping and product success. This suggests complexities in the application of NPD techniques and underscores the necessity for further research in this area.

Based on the above mentioned articles The Second Hypothesis for this research thesis:

H2: There is a positive relationship between the level of senior management commitment and new product success in Habesha Breweries.

The study conducted by (Belassi, et al., 2007) on New Product Development Projects: The Effects of Organizational Culture, examines how organizational culture influences the performance of New Product Development (NPD) projects. The research is prompted by the persistently high failure rate of projects across diverse industries, despite the widespread adoption of project management practices. Specifically, the study seeks to comprehend how various cultural attributes within organizations impact the success of NPD projects.

The research employed a survey-based methodology, collecting data from 95 U.S. manufacturing organizations. The survey questions were crafted to capture the essence of organizational culture and its dimensions, drawing from existing literature and theoretical frameworks proposed by scholars such as (Hofstede, 1980), (Gupta, 2000), (Souder, 1987), and (Kluckhohn, 1961). Through factor analysis, the study identified three primary cultural dimensions: Positive Work Environment, Management Leadership, and Results-Oriented culture. These dimensions were then correlated with indicators of NPD success, including commercial success, technical success, and customer satisfaction. The findings reveal a notable correlation between organizational culture and NPD success. Specifically, a positive work environment and effective management leadership are linked to higher levels of commercial and technical success, along with increased customer satisfaction. The study underscores the significance of cultivating a supportive and stimulating culture, with senior management playing a crucial role in fostering innovation and ensuring adequate resource allocation for NPD projects.

This research enhances our comprehension of project management and organizational behaviour by underscoring the strategic importance of culture in driving the success of NPD projects. It suggests that beyond variables at the project level, the overarching organizational culture profoundly impacts NPD outcomes. For practitioners, this implies that fostering a suitable organizational culture is pivotal for enhancing the efficacy of NPD processes and attaining desired project outcomes.

The article concludes by advocating for further exploration into how organizational culture influences project-level variables and other organizational practices, potentially yielding deeper insights into the dynamics of NPD success. It proposes that future studies delve into the indirect effects of organizational culture on NPD performance, thus providing a more holistic understanding of how strategic level variables shape project outcomes.

Another study by (Cengiz, et al., 2015) concentrates on identifying the principal factors contributing to the success of new product development (NPD) projects. Despite substantial effort and resources allocated to NPD, success rates have consistently remained low, with fewer than 60% of new products achieving success upon launch. This persistent challenge underscores the significance of comprehending and implementing critical success factors to improve NPD outcomes.

The authors scrutinize extensive NPD research and underscore the importance of the innovation process for organizations striving to sustain competitiveness in rapidly evolving markets. They classify new products based on their innovativeness and impact on both the market and the organization. To mitigate the risks associated with NPD, the article stresses the necessity for companies to meticulously evaluate new product initiatives and make informed decisions.

Several critical success factors for NPD are delineated, including top management support, effective NPD strategies, efficient NPD teams, and a well-organized NPD process. Additionally, market orientation, development speed, knowledge management, and technology utilization are highlighted as crucial elements. The research underscores that a blend of these factors can significantly enhance the prospects of NPD success.

Management support is underscored as crucial for supplying the requisite resources and cultivating an environment conducive to innovation. Strategic clarity, comprehension of the market, and collaborative efforts across functions are also pinpointed as pivotal elements contributing to successful NPD results. The article posits that attending to these critical success factors can enable organizations to optimize their NPD procedures, leading to more prosperous product launches and heightened competitiveness in the market.

The stress on the role of top management in furnishing support, resources, and a coherent vision for product development endeavours indicates the significance of an innovative culture and backing for NPD. Similarly, the discourse surrounding NPD teams underscores the importance of cooperative, multidisciplinary work environments, which are fundamental aspects of a favourable NPD culture or atmosphere. As per the authors, factors like management support and teamwork, emblematic of the

broader organizational attitude toward NPD, are imperative for achieving favourable outcomes in new product initiatives.

Conversely, an alternative article authored by (Ernst, 2002) presents an empirical review of the literature on the success factors influencing new product development (NPD). The study identifies numerous pivotal factors contributing to NPD success, organizing them into five overarching domains: NPD process, organizational aspects, cultural elements, the role and dedication of senior management, and strategic considerations. Within these delineations, key facets such as the efficiency of NPD process procedures, the significance of fostering a positive work environment and robust managerial leadership, the strategic inclination toward product innovation, and the substantial influence of senior management backing and allocation of resources emerge as critical for NPD project triumph.

The review also underscores the intricate and multifaceted nature of NPD success determinants, recognizing that management can directly shape the outcomes of new products through various internal actions and choices. Additionally, Ernst highlights the methodological diversification and hurdles inherent in NPD research, including the assessment of new product success and the delineation of 'newness' in product innovation. The article concludes by advocating for more structured and theoretically grounded future research endeavours capable of comprehensively capturing these dynamics.

Another study conducted by (Voola & O'Cass, 2010) delves into the interaction between competitive strategies, namely differentiation and cost leadership, and market orientation, both in responsive and proactive manners, in shaping firm performance. Their findings reveal a positive impact of both competitive strategies on responsive and proactive market orientations (RMO and PMO), with a stronger influence observed for differentiation strategy. This implies that a keen understanding and anticipation of customer needs are pivotal for the successful implementation of these strategies. Particularly noteworthy is the identification of PMO as exerting a greater influence on firm performance compared to RMO, underscoring the importance of not only reacting to current customer needs but also proactively foreseeing future trends and demands. The study emphasizes that RMO and PMO mediate the relationship between competitive strategies and firm performance, highlighting the imperative for firms to integrate market orientation into their strategic planning and execution. For practitioners, this underscores the significance of nurturing a market-oriented culture that is responsive and proactive to effectively implement competitive strategies and enhance performance outcomes. This research enriches the strategic management and marketing literature by elucidating how competitive strategies can be more effectively executed through a nuanced understanding and engagement with the market, ultimately leading to improved competitive positioning and success.

In another article authored by Sirmon et al (Sirmon, et al., 2011) the nuanced concept of resource orchestration within the framework of Resource-Based Theory (RBT) is explored, with a focus on the crucial role of managerial actions in structuring, bundling, and leveraging firm resources to cultivate a competitive advantage. The article introduces and integrates two foundational frameworks—resource management and asset orchestration—into a unified model of resource orchestration. This model is further analysed across three dimensions: the breadth of resource orchestration, encompassing corporate and business strategies alongside competitive dynamics; the life cycle of the firm, detailing how resource orchestration varies across start up, growth, maturity, and decline stages; and the depth of the firm, examining the role of different managerial levels in orchestrating resources. Through this comprehensive examination, the article underscores the importance of strategically managing resources across the organization's spectrum, suggesting that the efficacy of these strategies is vital for sustaining competitive advantage and, consequently, success in new product development and other strategic initiatives.

The article titled "National Culture and New Product Development: An Integrative Review" authored (Nakata & Sivakumar, 1996) investigates the intricate connection between national culture and the process of new product development (NPD). Acknowledging the globalized nature of markets and the significance of new products for business success, the authors delve into how national culture influences NPD. They utilize Hofstede's dimensions of national culture—individualism, power distance, masculinity, uncertainty avoidance, and Confucian dynamism—to comprehend their impact on NPD processes and outcomes.

The authors posit that cultural dimensions exert varying effects on NPD across different stages of the development process. For example, cultures characterized by high individualism may foster creativity and innovation during the initial phases of NPD, whereas cultures with high power distance might demonstrate effectiveness during the implementation stage, where structured and hierarchical decision-making processes could aid in product development. The study suggests that grasping and adapting to these cultural dimensions can bolster the efficiency of NPD processes, particularly in multinational and cross-cultural contexts.

Furthermore, Nakata and Sivakumar propose several research hypotheses, advocating for additional empirical inquiry into the connections between national culture and NPD. They underscore the opportunity for incorporating diverse cultural viewpoints to enrich the NPD process, while also highlighting the obstacles presented by cultural diversity. The conceptual framework outlined in the article underscores the intricate ways in which national culture may impact the different phases of

NPD, ranging from inception to execution. This implies that achieving successful product development in a globalized market necessitates a profound comprehension of cultural intricacies.

Based on the above-mentioned articles The Third Hypothesis for this research thesis:

H3: There is a positive relationship between a new product development culture/climate and new product success in Habesha Breweries

The article titled "Market orientation and manufacturing performance of Indian SMEs: Moderating role of firm resources and environmental factors" authored by (Gaur, et al., 2011), primarily examines the influence of market orientation on manufacturing performance within Indian SMEs. Additionally, it explores the moderating role of environmental factors in this relationship. Specifically, the study investigates how competitive intensity, market turbulence, and technological turbulence, as elements of the market environment, affect the effectiveness of market orientation strategies on manufacturing performance, which serves as an indicator of new product success among other performance metrics. The research indicates that competitive intensity moderates the association between certain aspects of market orientation—particularly customer orientation—and manufacturing performance. This suggests that in highly competitive environments, a focus on understanding and addressing customer needs can significantly impact a company's manufacturing performance, indirectly influencing new product success. However, the study did not identify significant moderating effects for market turbulence and technological turbulence on the relationship between dimensions of market orientation and manufacturing performance.

In essence, the article highlights that market environment factors, particularly competitive intensity, play a crucial role in shaping the success of new products by influencing the effectiveness of market orientation strategies. This emphasizes the importance of tailoring market orientation approaches based on the level of competition in the market, suggesting that more assertive customer-oriented strategies may be required in intensely competitive markets to ensure the success of new products.

Based on the above-mentioned articles The Forth Hypothesis for this research thesis:

H4: Market environment factors significantly impact new product success in Habesha Breweries.

2.3 Conceptual Framework

Independent Variable

Dependent variable

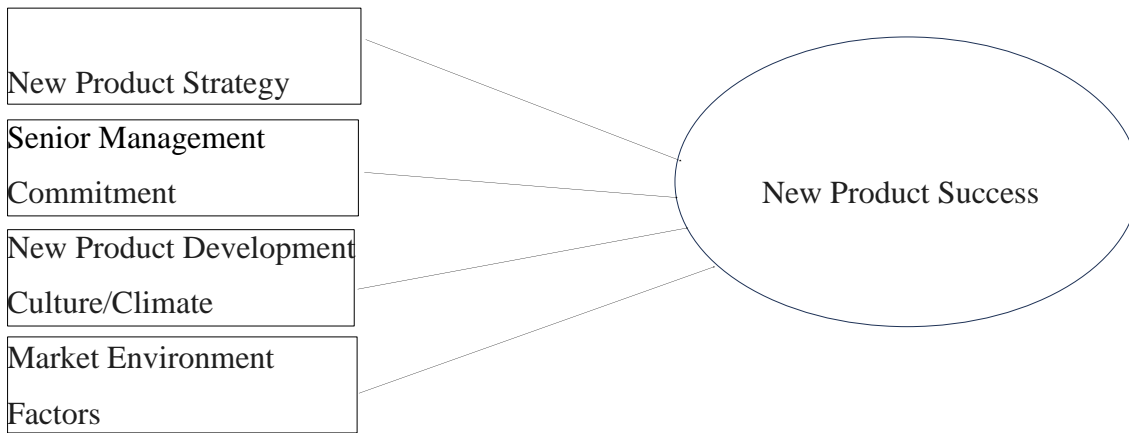


Figure 1: Conceptual framework adapted from (Shrivastava & Souder, 1987)

CHAPTER THREE

RESEARCH METHODOLOGY

This section covers the research approach and design, data type and source, sampling method and sample size, data collection method, ethical issues, and data processing/analysis procedures.

3.1. Research approach

A comprehensive research strategy combining descriptive and explanatory methodologies was employed. Descriptive research was chosen to offer an in-depth understanding of the current state of affairs at Habesha Breweries, without drawing inferences or judgments (Creswell, 2009) This method enabled a thorough examination of the brewery's existing practices regarding new product development, including strategies utilized, current product portfolios, and market positioning.

Concurrently, the explanatory research method was applied to uncover causal relationships, aiming to elucidate the impact of key factors on the success of new products through a detailed analysis of various elements. Explanatory research proves valuable in exploring the connections between causes and effects (Hansen, et al., 2000) This approach facilitated an understanding of how different variables such as new product strategy, senior management commitment, organizational culture, and market environmental factors contribute to the success of new products within Habesha Breweries.

3.2 Research Design

A quantitative research design was used as a research design. Quantitative methods, renowned for their ability to offer numerical insights and establish statistical correlations, played a vital role in assessing the direct influence of new product strategies on the success of new products. As suggested by (Li & Calantone, 1998) quantitative studies excel in identifying patterns and relationships, enabling a detailed examination of the quantitative impact of new product development on new product success. Metrics such as sales volume, revenue, and profitability was scrutinized to gauge the quantitative dimensions of success.

3.3 Data Type and Data Sources

A combination of primary and secondary data was utilized. Primary data, collected directly from the source through surveys, played a crucial role in acquiring first hand insights into the phenomenon being studied. Surveys conducted with key individuals involved in formulating new product strategies and senior management commitment provided specific viewpoints on the relationships addressed in the research questions. Additionally, employee surveys conducted to gain insight into the organizational culture surrounding new product development.

To complement these primary data sources, secondary data sourced from internal company documents will be incorporated. Internal reports, such as financial records and sales reports, provided valuable

contextual information. By combining primary and secondary data, the aim was to provide a robust and comprehensive understanding of the multifaceted relationship between new product development strategies and the success of new products within Habesha Breweries.

3.4 Population of the Study

This study encompassed a diverse range of stakeholders who are directly involved in or affected by the new product development processes and outcomes at Habesha Breweries. This includes management staff, who play a crucial role in shaping and implementing new product strategies, as well as agents responsible for the dissemination of new products, among other professionals. By involving these various stakeholder groups, a comprehensive understanding of the impact of new product development on new product success at Habesha Breweries can be attained. Surveys were conducted within these population segments to gather insights into the research questions, which include examining the effects of new product strategy, senior management commitment, new product development culture/climate, and market environment factors on new product success within the context of Habesha Breweries.

3.5 Sampling Technique

For the diverse population encompassing management staff, distributors, and other professionals in relation to production and distribution of new products at Habesha Breweries, a stratified random sampling technique will be employed. This method ensures that the sample is representative of the various stakeholder groups within the target population.

3.6 Sample Size

(Sekaran, 2001) defines a sample size as a portion of the population that has attributes as the entire population. According to (Malhotra & Peterson, 2006) the larger the sample size of a research the more accurate the data will be generated. According to (Mugenda & Mugenda, 2003) a sample size should be as large as possible so as to produce the salient characteristics of the accessible population to an acceptable degree.

Even though there are several approaches to determining the sample size, this study utilized (Yamane, 1967) simplified formula to calculate and determine the sample size based on a 95% desired confidence level and a 5% desired level of precision.

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

Where:-

- ✦ n = is total sample size
- ✦ N = total population size

- ★ (e) = allowance of random error or the level of significance (precision) for study and it has fixed at 5%, with e value b/n 0.05.

Therefore,

$$n = \frac{439}{1 + 439(0.05^2)}$$

$$n = 210$$

From the total 439 study population of different department 210 representative samples were selected. Samples from each stratum were calculated using the equation below (Chukwuma, et al., 2018)

Table 3. 1: Sample Size Determination

Table 1 Sample Size Determination

Sample Size Distribution	Target Population	100*(Target Population/439)	Sample Size
Marketing Team	75	17.08%	35.876
Research and Development Team	47	10.71%	22.482
Senior Management	25	5.69%	11.959
Agents	10	2.28%	4.783
Production Team	58	13.21%	27.744
Trend spotting Team	30	6.83%	14.350
Sales Team	194	44.19%	92.801
Total	439	100%	210

3.6 Data Gathering Instruments

To investigate the effects of new product development on success at Habesha Breweries, a quantitative instruments was employed. Surveys measured pre- and post-launch buying behaviour and attitudes. Internal sales data will track changes in market position and overall sales growth.

3.7 Data Analysis Technique

A range of quantitative analysis techniques was utilized. Descriptive statistics summarized key data characteristics. Regression analysis quantified the specific impact of these factors on success, controlling for other relevant variables.

3.8 Reliability and Validity

Validity was ensured through comprehensive citations for all sources of evidence, including questionnaires, and secondary data. The researcher established the conditions under which major data was obtained, and external validity was improved by obtaining information from individuals closely connected to the research issue.

3.8.1. Reliability Test

The internal reliability and consistency was assessed between groups and a total of 33 items by means of the Cronbach Alpha. Table 4.1 shows the Cronbach Alpha scores for each item. Cronbach's Alpha recorded scores for items by group and total were greater than the threshold value of 0.7, indicating that all questionnaire items were reliable as a group and overall.

Table 4.1: Reliability Statistics

Table 2 Reliability Statistics

Item	Cronbach's Alpha	No. of Items
New Product Strategy	.813	10
Product Development Culture	.785	8
Senior Management Commitment	.759	10
Market Environment Factors	.766	5
Total		33

CHAPTER FOUR

The data analysis and a discussion of the research findings are presented in this chapter. The Statistical Package for Social Science was used to assist with the data analysis (SPSS). Descriptive and inferential statistics have been used to characterize the research sample's demographic makeup and the variables influencing the enterprise's performance during the implementation of strategies.

4. RESULT AND DISCUSSION

4.1 Introduction

As stated in the title, this chapter presents, analyses, discusses, and interprets the results of the data that will be presented below. The researcher prepared 210 questionnaires. The questionnaires were distributed through both google form and a print format. The print format was sent out physically whereas the google form was sent through the mobile application “Telegram”. Out of the distributed 210 questionnaire only 183 were collected. The sampling technique used to distribute the questionnaire was stratified random sampling, with 7 strata’s.

4.3 Descriptive Analysis

Descriptive data analysis aims to describe basic features of the data. Descriptive analysis is performed first to give the researcher an initial picture of the data obtained. Consequently, the data for every item on the questionnaire in this study are provided via the descriptive statistics measures mentioned below.

4.3.1 Demographic Characteristics of the Respondents

The first part of the questionnaire consists of five items about the demographic information of the respondents. It covers the personal data of respondents, such as sex, age, education level, current professional position, and working experience at Habesha breweries.

Table 4.2: Respondents background information

Table 3 Respondents background information

Items		Frequency	Percent	Valid Percent	Cumulative Percent
Sex	Female	58	31.7	31.7	31.7
	Male	125	68.3	68.3	100.0
Age	20-25	23	12.6	12.6	12.6
	26-30	52	28.4	28.4	41.0
	31-40	75	41.0	41.0	82.0
	Above 40	33	18.0	18.0	100.0
Education level	MSC and above	43	23.5	23.5	23.5
	BA	101	55.2	55.2	78.7

	Diploma	28	15.3	15.3	94.0
	Below diploma	11	6.0	6.0	100.0
Current Professional Position	Marketing officer	31	17.1	17.1	17.1
	Research and Development officer	20	10.7	10.7	27.8
	Manager	10	5.7	5.7	33.5
	Agents	4	2.3	2.3	35.8
	Operator	24	13.2	13.2	49
	Finance and Admin	12	6.8	6.8	55.8
	Sales officer	81	44.2	44.2	100.0
Working Experience at Habesha Breweries	Less than 2 years	26	14.2	14.2	14.2
	2 to 5 years	62	33.9	33.9	48.1
	6 to 10 years	71	38.8	38.8	86.9
	More than 10 years	24	13.1	13.1	100.0

The demographic data for gender shows that out of the 183 respondents, there were 125 males and 58 females. The above table shows that the male respondents formed the majority of the target population with a percentage of 68.3%, while female respondents were representing 31.70%. Hence, human resource aspect of Habesha breweries shows male domination is high.

The sample population age distribution was clearly depicted in table 4.2 which is largely dominated by respondents who are at the age of 31-40 years old covering 41.0%. The second highest group 28.4% fall under age categories of between 26-30. The remaining age groups also represented in the table i.e., above 40 years represent 18.0% while 20-25 age groups covers 12.6%. Thus, young employees have the largest share compared with others and this age distribution ensures a comprehensive understanding of organizational factors that influence new product success, integrating diverse viewpoints across different age-related experiences and career stages.

With regards to the education level of the respondents, it can be seen in table 4.2 those respondents hold a range of educational qualifications from below diploma to master's degree. The majority or more than half of the sample group is first degree holders which accounted 55.2% followed by master's degree holders 23.5%, Diploma holder accounts 15.3%, and the remaining are below diploma which accounts 6.00%. From the above result it can be expected that this educational diversity ensures a well-rounded and informed analysis of the organizational determinants influencing new product success, integrating a wide spectrum of expertise and practical know-how.

On the other hand, the table above also shows the current professional position of employees, based on their responses shows that 44.2% are working as Sales officer, 17.1% are working as Marketing Officer, 13.2% are working as Operators, 10.7% are working as Research and Development Officer, 6.8 are working as finance and admin, 5.7% are working as manager and 2.3% are working as agent. Hence, the highest numbers of respondents are working on the position of Sales officer and this will help to promote and advert the new products during sales activities on different areas and market places of Habesha breweries. This diverse professional representation ensures a comprehensive understanding of the organizational determinants influencing new product success, integrating perspectives from various functional areas critical to the product development and commercialization process.

Regarding the working experience of the employees at Habesha breweries, respondents replied that 38.8% have 6 to 10 years work experience at Habesha breweries. While 33.9% have working experience with the range of 2 to 5 years. The remaining respondents have less than 2 years and more than 10 years work experience at Habesha breweries with the share of 14.2%, and 13.1%, respectively. So, it can be understood that most of the employees have much experience in Habesha breweries and expected from them to know the goal of the organization with its new product strategy on the competitive market of the country.

4.3.2 New Product Strategy

Respondents were asked the basic new product strategy factors that affect the new product success. Respondents were requested to rate each item using five liker-scaling, ranging from strongly disagree to strongly agree. The study's results are interpreted using the following statistics: 1.00-1.80 "Strongly disagree/very dissatisfied," 1.81-2.60 "Disagree/dissatisfied," 2.61-3.40 "Moderate agreement/moderately satisfied," 3.41-4.20 "Agree/satisfied," 4.21-5.00 "Strongly agree/very satisfied" (Eshetu, 2020). Moreover, the researcher tried to calculate the mean and standard deviation for each items.

Table 4.3: Perception of Respondent on New Product Strategy

Table 4 Perception of Respondent on New Product Strategy

Items	N	Mean	Std. Deviation
New Product Development strategy effectively identifies customer needs and market trends.	183	4.40	.832
The New Product Development strategy supports rapid development and commercialization of new products.	183	4.03	.818
Feedback and learning from past projects are incorporated into Habesha Breweries NPD strategy.	183	3.53	1.108

The NPD strategy prioritizes projects based on their potential market impact and alignment with Habesha Breweries' strengths.	183	3.94	1.177
The new product development strategy fosters a culture of innovation and creativity within the organization.	183	3.50	1.167
Habesha Breweries New Product Development strategy is clearly defined and well communicated within the organization.	183	3.53	1.108
The New Product Development strategy aligns with the overall goals and mission of Habesha Breweries.	183	2.89	1.296
New product development strategy well-aligned with market trends	183	3.34	1.198
The New Product Development strategy encourages New Ideas.	183	3.16	1.065
Resources are allocated effectively according to NPD strategy.	183	2.75	1.038
Grand Mean	183	3.50	

Based on the above table 4.3, respondents agreed Habesha Breweries new product development strategy effectively identifies customer needs and market trends, the new product development strategy supports rapid development and commercialization of new products, feedback and learning from past projects are incorporated into Habesha Breweries NPD strategy, The NPD strategy prioritizes projects based on their potential market impact and alignment with Habesha Breweries' strengths, the new product development strategy fosters a culture of innovation and creativity within the organization, Habesha breweries new product development strategy is clearly defined and well communicated within the organization with the mean value of 4.40, 4.03, 3.53, 3.94, 3.50, and 3.53, respectively.

Besides, respondents moderately agreed on the remaining items such as that the new product development strategy aligns with the overall goals and mission of Habesha Breweries, the new product development strategy at Habesha Breweries is well- aligned with market trends, the new product development strategy entertain monitoring and evaluation system, and resources (time, budget, personnel) are allocated effectively according to Habesha Breweries NPD strategy with the mean value of 2.89, 3.34, 3.16, and 2.75, respectively.

From the table we can understand that there is gaps on the new product development strategy aligns with the overall goals and mission of Habesha Breweries, the new product development strategy at Habesha Breweries is well- aligned with market trends, the new product development strategy entertain monitoring and evaluation system, and resources (time, budget, personnel) are allocated effectively according to Habesha Breweries NPD strategy.

4.3.3 Perception of Respondent on Product Development Culture

Table 5 Perception of Respondent on Product Development Culture

Items	N	Mean	Std. Deviation
The organizational culture encourages creativity and innovation.	183	3.57	1.082
Cross-functional collaboration and teamwork are valued within the organization's new product development processes.	183	3.51	1.208
The work environment at Habesha Breweries supports experimentation and risk-taking in new product initiatives.	183	2.90	1.184
Employees feel empowered to contribute ideas for new products.	183	3.54	1.123
Continuous learning and improvement are key aspects of the new product development culture at Habesha Breweries.	183	3.90	1.299
The organizational culture promotes a customer-centric approach to new product development.	183	3.89	.879
Leadership within the organization actively promotes and supports a culture of innovation in new product development.	183	3.24	1.239
The new product development culture at Habesha Breweries aligns with the company's overall values and mission.	183	3.74	.912
Grand Mean	183	3.53	

As indicated in the above table respondents moderately agreed on the work environment at Habesha Breweries supports experimentation and risk-taking in new product initiatives and leadership within the organization actively promotes and supports a culture of innovation in new product development with the mean value of 2.90, and 3.24, respectively.

Furthermore, respondents agreed on the remaining items such as the organizational culture at Habesha breweries encourages creativity and innovation, cross-functional collaboration and teamwork are valued within the organization's new product development processes, employees feel empowered to contribute ideas for new products, continuous learning and improvement are key aspects of the new product development culture at Habesha Breweries, the organizational culture promotes a customer centric approach to new product development, the new product development culture at Habesha Breweries aligns with the company's overall values and mission with the mean value of 3.57, 3.51, 3.54, 3.90, 3.89, and 3.74, respectively.

It can be concluded that, the major gaps on product development culture are work environment at Habesha Breweries supports experimentation and risk-taking in new product initiatives and leadership within the organization actively promotes and supports a culture of innovation in new product development.

4.3.4 Perception of Respondent on Senior Management Commitment

Table 6: Perception of Respondent on Senior Management Commitment

Items	N	Mean	Std. Deviation
Senior management actively supports new product development initiatives.	183	3.08	1.026
Senior management provides clear direction and guidance for new product development projects.	183	3.54	1.157
Senior management allocates sufficient resources and budget for new product development.	183	3.39	1.212
Senior management actively participates in decision-making processes related to new product launches.	183	3.89	.879
Senior management communicates the strategic importance of new product success to all employees.	183	3.68	.983
Senior management encourages risk-taking and experimentation in new product development.	183	4.40	.832
Senior management fosters a culture of transparency and open communication regarding new product initiatives.	183	3.52	1.128
The involvement of senior management positively influences the morale of the NPD team.	183	3.57	1.251
Senior management's commitment is evident in the strategic planning of NPD activities.	183	3.36	1.475
The level of senior management commitment directly influences the market success of new products.	183	3.77	1.149
Grand Mean	183	3.62	

As indicated in the above table respondents moderately agreed on senior management at Habesha Breweries actively supports new product development initiatives, senior management allocates sufficient resources and budget for new product development, and senior management's commitment is evident in the strategic planning of NPD activities with the mean value of 3.08, 3.39, and 3.36, respectively.

Moreover, respondents agreed on the remaining items such as senior management provides clear direction and guidance for new product development projects, senior management actively participates in decision-making processes related to new product launches, senior management communicates the strategic importance of new product success to all employees, senior management encourages risk-taking and experimentation in new product development, senior management fosters a culture of transparency and open communication regarding new product initiatives, the involvement of senior management positively influences the morale of the NPD team, the level of senior

management commitment directly influences the market success of new products 3.54, 3.89, 3.68, 4.40, 3.52, 3.57, and 3.77, respectively.

It can be concluded that, the major challenges from Senior Management Commitment sides for new product success are senior management at Habesha Breweries actively supports new product development initiatives, senior management allocates sufficient resources and budget for new product development, and senior management’s commitment is evident in the strategic planning of NPD activities.

4.3.5 Perception of Respondent on Market Environment Factors

Table 7 Perception of Respondent on Market Environment Factors

Items	N	Mean	Std. Deviation
Changes in consumer preferences and trends influence the performance of new products at Habesha Breweries.	183	3.34	.965
Economic conditions in the market affect the demand for new products from Habesha Breweries.	183	3.63	.991
The availability of distribution channels and retail networks influences the reach and sales of new products	183	3.89	.879
Social and cultural trends in the market influence consumer acceptance and adoption of new products	183	3.08	1.026
Environmental sustainability considerations play a role in the development and marketing of new products	183	3.74	.912
Grand Mean	183	3.53	

Based on the responses of respondents above, they moderately agreed on changes in consumer preferences and trends influence the performance of new products at Habesha Breweries and social and cultural trends in the market influence consumer acceptance and adoption of new products from Habesha Breweries with the mean value of 3.34 and 3.08, respectively.

Respondents also agreed on the remaining items such as economic conditions in the market affect the demand for new products from Habesha Breweries, the availability of distribution channels and retail networks influences the reach and sales of new products from Habesha Breweries, and environmental sustainability considerations play a role in the development and marketing of new products at Habesha Breweries with the mean value of 3.63, 3.89 and 3.74, respectively.

It can be concluded that, the major challenges on Market Environment Factors are changes in consumer preferences and trends influence the performance of new products at Habesha Breweries

and social and cultural trends in the market influence consumer acceptance and adoption of new products from Habesha Breweries.

4.3.6 Perception of Respondent on New Product Success

Table 8 Perception of Respondent on New Product Success

Items	N	Mean	Std. Deviation
Customers are willing to purchase Habesha's new products	183	4.40	.832
New products have significantly captured or increased market share	183	3.52	1.128
The new products have contributed positively to the profitability	183	3.84	1.295
The new products provide a competitive advantage in the market	183	3.84	.887
The new products have improved the brand recognition of Habesha Breweries.	183	3.48	1.133
The development of new products leads to use new technologies that increase the total production	183	3.52	1.114
Grand Mean	183	3.76	

As indicated on the above table respondents, agreed on Customers are willing to purchase Habesha Breweries's new products, The new products have significantly captured or increased market share, The new products have contributed positively to the profitability of Habesha Breweries, The new products provide a competitive advantage in the market, The new products have improved the brand recognition of Habesha Breweries, and The development of new products leads to use new technologies that increase the total production of Habesha Breweries with the mean value of 4.40, 3.52, 3.84, 3.84, 3.48, and 3.52, respectively.

Generally, it can be concluded that new product success in Habesha Breweries is in a good way except some internal and external factors related with management/administrative and external market related factors.

4.4 Correlation Analysis

Correlation is a word which describes the statistical measure of association or the relationship between two phenomena or continuous variables in terms of how strong the Relationship is and in what direction the relationship goes (Endris, 2020). According to (Field, 2009)), correlation is a very useful means to summarize the relationship between two variables with a single number that falls between $r = +1.00$, a perfect positive (direct) relationship, 50 and $r = -1.00$, a perfect negative (inverse) relationship.

As stated, (Shevlyakov & Oja, 2016) a correlation coefficient between -1 to -0.5 or 1.0 to 0.5 is termed as strong, -0.5 to -0.3 or 0.3 to 0.5 is termed as moderate, -0.3 to -0.1 or 0.1 to 0.3 and -0.3 to -0.1 or

0.1 to 0.3 is termed as weak. Thus, in order to see the strength of the relationship between the dependent variable and independent variables a Pearson correlation analysis was computed and presented. To empirically examine the relationship between new product strategy, product development culture, senior management commitment, and market environment factors with new product success, Pearson correlation test is applied on statistics solutions.

Table 4.9: Correlation result

		Correlations				
		New Product Success	New Product Strategy	Product Development Culture	Senior Management Commitment	Market Environment Factors
New Product Success	Pearson Correlation	1	.688**	.521**	.390**	.512**
	Sig. (2-tailed)		.000	.000	.000	.000
	N	183	183	183	183	183
New Product Strategy	Pearson Correlation	.688**	1	.381**	.185*	.298**
	Sig. (2-tailed)	.000		.000	.012	.000
	N	183	183	183	183	183
Product Development Culture	Pearson Correlation	.521**	.381**	1	.252**	.437**
	Sig. (2-tailed)	.000	.000		.001	.000
	N	183	183	183	183	183
Senior Management Commitment	Pearson Correlation	.390**	.185*	.252**	1	.299**
	Sig. (2-tailed)	.000	.012	.001		.000
	N	183	183	183	183	183
Market Environment Factors	Pearson Correlation	.512**	.298**	.437**	.299**	1
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	183	183	183	183	183

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

* . Correlation is significant at the 0.05 level (2-tailed).

The above summarized correlation matrix illustrates new product strategy, product development culture, senior management commitment, and market environment factors have a positive and significant relationship with new product success at the 1% level of significance. The Pearson correlation coefficient values for new product strategy, product development culture, senior management commitment, and market environment factors were 0.688, 0.521, 0.390, and 0.512, respectively. As a result, the relationship between product strategy, product development culture, and market environment factors with new product success is Strong. While the relationship between senior management commitment with new product success is medium level.

4.5 Regression Analysis

4.5.1 Regression Model Diagnostics Result

The basic assumptions should be satisfied to maintain data validity and robustness of the regressed result of the research under the multiple regression models (Tesfaye, 2021). Therefore, this study conducted the below assumption tests.

4.5.1.1 Normality Test

One critical assumption of the linear regression model is that the residuals must be normally distributed. Verifying the normality of the residuals of the estimated model is therefore essential. The distribution of these residuals is depicted in the figures below. Test for normality, its determining whether the data is well modeled by normal distribution or not. This normal distribution test could be checked using graphical methods (histograms and dot plots).

According to the Decision Rule Normality a histogram of the residuals should ideally show a bellshaped curve, indicating a normal distribution. In the Meantime, Normal Probability Plot (NPP) should display a roughly straight line, indicating that the residuals are distributed normally. If the points closely follow a diagonal line that spans from the bottom left to the top right of the plot, this confirms the assumption of normality (Gujarati, 2004).

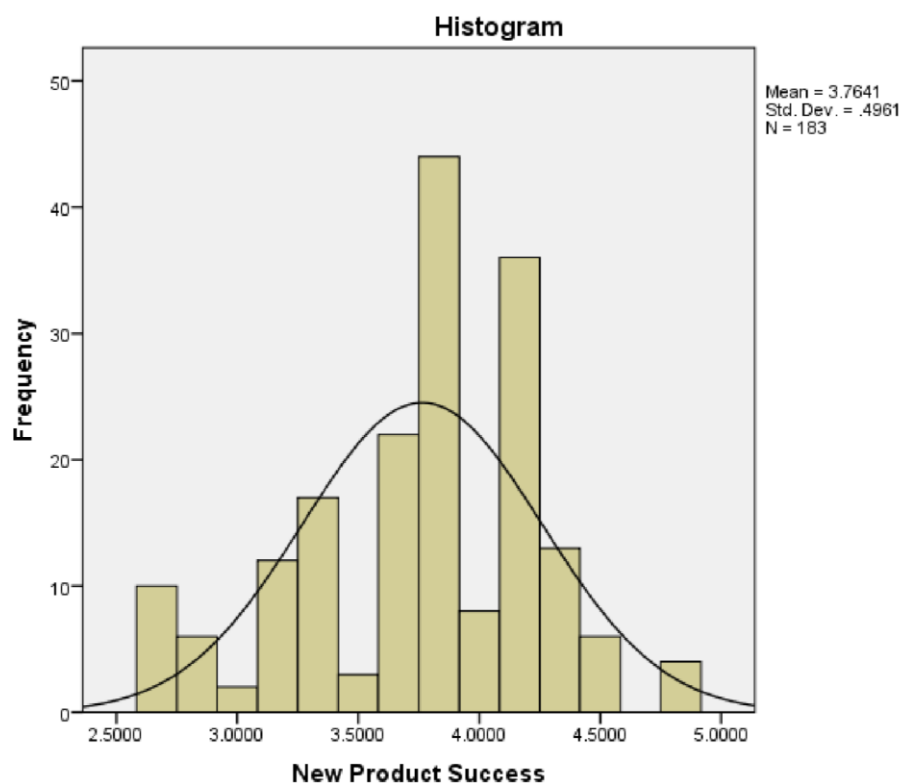


Figure 2 Normality Histogram Test Result Figure

4.1: Normality Histogram Test Result

4.5.1.2 Scatter plot

The below presented the scatter plot of the residuals approximately lie on the linear line. Moreover, normal Probability plot of residuals is also approximately linear supporting the condition that the error terms are normally distributed and it suggests that the relationship that are predicted in the result is linear. As mentioned above In the Normal P-P Plot the points will lie in a reasonably straight diagonal line from bottom left to top right. This would imply no significant deviations from normalcy.

Therefore, based on the p-plot graph in the diagram the variables are normally distributed.

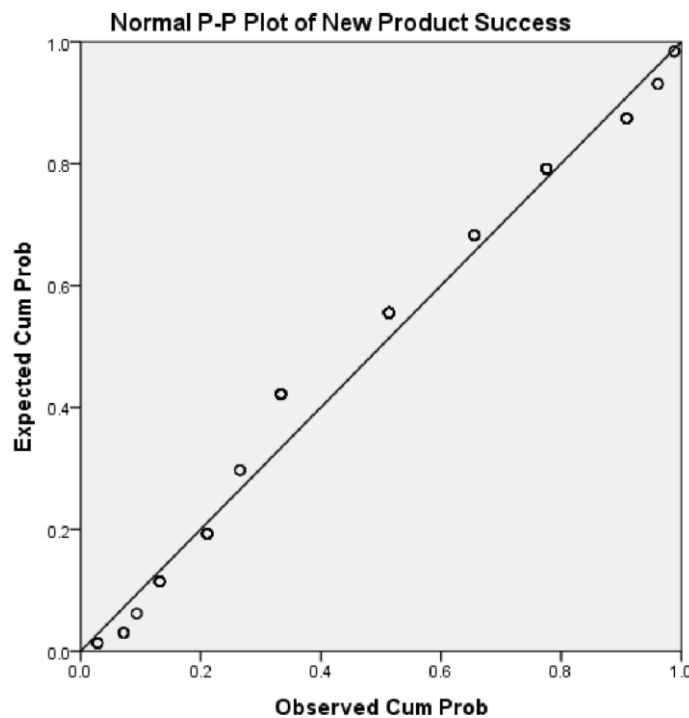


Figure 3 P-P Plot Test Result

Figure 4.2: P-P Plot Test Result

As it depicted from the above figure, the shape of the histogram follows the shape of the normal curve fairly well. As the result, we can conclude that the residuals are normally distributed and the model is appropriate (Figure 4.2).

4.5.1.3 Multicollinearity Test

After the normality test in the regression model, it is important to conduct multicollinearity test.

Widely used technique for identifying multicollinearity is calculating variance inflation factor (VIF) between all independent variables. When an independent variable has a strong linear relationship with other independent variables, the associated VIF is large and is evidence of multicollinearity (Shieh, 2010).

Multicollinearity may be checked multiple ways:

1) Correlation matrix – When computing a matrix of Pearson’s bivariate correlations among all independent variables, the magnitude of the correlation coefficients should be less than 0.80. 2) Variance Inflation Factor (VIF) - The VIFs of linear regression reflect how much the variances in the regression estimates are increased due to multicollinearity. VIF values more than ten show that multicollinearity is an issue.

The multicollinearity test is performed on the basis of VIF value. The multicollinearity test is illustrated in the following table.

Table 4.7: Multicollinearity Test Result
Coefficients^a

Model	Collinearity Statistics	
	Tolerance	VIF
1		
New Product Strategy	.829	1.206
Product Development Culture	.730	1.370
Senior Management Commitment	.888	1.126
Market Environment Factors	.756	1.323

a. Dependent Variable: New Product Success

Based on the above Table 4.7 output, collinearity statistics of VIF, obtained is between 1.126 and 1.370, meaning that the VIF value obtained is below 10, therefore it can be concluded that there is no Multicollinearity Problem.

4.5.1.4 Autocorrelation Test

After the multicollinearity test is completed, it is important to examine whether there was a correlation between residuals by way of autocorrelation test. Regression analysis uses uncorrelated error/residual terms for any two or more observations (Kothari, 2004) This assumption is tested for each regression procedure with the Durbin-Watson test, which test for correlation between variables residuals (Yonas, 2020) Durbin Watson statistics tests for autocorrelation value ranges from 0 to 4 and as a rule of thumb, the value should be between 1.5 and 2.5 to indicate independent of observations (Garson, 2010)

Table 4.8: Autocorrelation Test Result

Model Summary ^b	
Model	Durbin-Watson
1	1.892 ^a

a. Predictors: (Constant), Market Environment Factors, New Product Strategy, Senior Management Commitment, Product Development Culture

b. Dependent Variable: New Product Success

Therefore, as shown from Table 4.8 the Durbin Watson value 1.892 reveals that there is no autocorrelation and implies that independent of observation and the model is adequate.

4.5.3 Multiple Regression Result

In addition to the above factor analysis, Regression model summary is one output of multiple regression analysis that measures the amount of total variation on dependent variable due to independent variable. This table provides the R, R₂, adjusted R₂ and the standard error of the estimate which can be used to determine how well a regression model fits the data (Endris, 2020).

The adjusted coefficient of determination (R²) shows that the four factors explained approximately 63.6 % of the variation in new product success. This also indicates that the model is appropriate.

Table 4.10: Model Summary Results

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.798 ^a	.636	.628	.3025146	.636	77.857	4	178	.000

a. Predictors: (Constant), Market Environment Factors, New Product Strategy, Senior Management Commitment, Product Development Culture

4.5.4 ANOVA Result

An analysis of variance (ANOVA) was performed to ensure that the regression model was well-fitted. If the F ratio is large and probability is less than 0.05 then it is termed statistically significant (Saunders, 2012). The ANOVA table below, demonstrates the overall model significance, and this board help us to make sure the above model (on model summary table) is statistically significant predictor of the outcome i.e. new product success and it is evidenced that the model is statistically predictor of new product success for the reason that the p value is less than 0.05 therefore, a significant amount of new product success is influenced by new product success dimensions which constitutes new product strategy, product development culture, senior management commitment, and market environment factors. Furthermore, it can be concluded as, the overall regression model is significant, F= 77.857, p < .000).

Table 4.11: ANOVA Results

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	28.500	4	7.125	77.857	.000 ^b
Residual	16.290	178	.092		
Total	44.790	182			

a. Dependent Variable: New Product Success

b. Predictors: (Constant), Market Environment Factors, New Product Strategy, Senior Management Commitment, Product Development Culture

4.5.5 Regression Result

Table 4.12: Model Coefficients Estimation Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-.590	.263		-2.244	.026
New Product Strategy	.566	.054	.519	10.464	.000
Product Development Culture	.184	.054	.179	3.376	.001
Senior Management Commitment	.198	.052	.181	3.770	.000
Market Environment Factors	.284	.065	.225	4.337	.000

a. Dependent Variable: New Product Success

Based on the above table 4.12 model coefficients estimation result, since the significance values of all the independent variables have values less than 0.05, the independent variables are positively significant at 1 % significance level. The estimated coefficients give a measure of the contribution of each variable to the model. Based on the above regression coefficient estimation result, new product strategy content is higher with coefficient value of 0.566 followed by market environment factors (0.284), senior management commitment (0.198) and product development culture (0.184).

Besides, the results of multiple regressions, as presented in table above, revealed that new product strategy has a positive and significant effect on new product success with a beta value (beta =.566), at 95% confidence level ($p < 0.000$). This implies that, if new product strategy increases by 1 value, the success of new product will increase by 56.6%. Therefore, the first hypothesis is accepted in that new product strategy has a positive and significant effect on the success of new product with in Habesha Breweries.

Moreover, the results of multiple regressions, as presented in table above, revealed that market environment factors have a positive and significant effect on new product success with a beta value (beta =.284), at 95% confidence level ($p < 0.000$). This implies that, if market environment factors

increase by 1 value, the success of new product will increase by 28.4%. Therefore, the second hypothesis is accepted that a market environment factor has a positive and significant effect on the success of new product with in Habesha Breweries.

Furthermore, the results of multiple regressions, as presented in table above, revealed that senior management commitment has a positive and significant effect on new product success with a beta value (beta =.198), at 95% confidence level ($p < 0.000$). This implies that, if senior management commitment increases by 1 value, the success of new product will increase by 19.8%. Therefore, the third Hypothesis is accepted that senior management commitment has a positive and significant effect on the success of new product with in Habesha Breweries.

Additionally, the results of multiple regressions, as presented in table above, revealed that product development culture has a positive and significant effect on new product success with a beta value (beta =.184), at 95% confidence level ($p < 0.001$). This implies that, if product development culture increases by 1 value, the success of new product will increase by 18.4%. Therefore, the Fourth hypothesis is accepted that product development culture has a positive and significant effect on the success of new product with in Habesha Breweries.

4.6 Discussion of the major findings

According to the finding obtained from the above sections, lack of alignment of new product development strategy, lacks monitoring and evaluation system, insufficient resources allocation and low support of the management staff are the most factors that hinder the success of new product. Habesha Breweries is engaged in an industry where similar products are competing in the market, making it a very competitive sector.

Moreover, the result of new product strategy is significant and positive with success of new product with a beta value (beta =.566), at 95% confidence level ($p < 0.000$). This finding is consistent with the findings of (José & Benito, 2004) and (Chorda, et al., 2002)). This means NPD process has a great contribution for new products success. (Alborzi, et al., 2013) also identifies strategy as a comprehensive master plan for achieving the objectives and missions of a corporation. It is defined at corporate, business and functional levels. In order to succeed, organizations usually develop strategies for these three levels.

Literature highlights that synchronizing long term strategy for product development could help companies to better link the technologies to their products, (Galluzzo et al. 2009). Strategy plays a major role in New Product Development and it has a significant effect on a firm's competitiveness, (Kumar, et al., 2006) The most common and visible aspect of a new product strategy is the lack of

long –range planning which, on the other hand can be considered as the very basic precondition of making relevant strategy choices. The lack of strategic planning applies more specifically to goal orientation and the clarity by which new product scope and the corresponding development path are defined (Lindman, 2002).

With regard to product development culture, the finding shows that product development culture has a positive and significant effect on new product success with a beta value (beta =.184), at 95% confidence level ($p < 0.001$). This finding is aligned with (Adula & Kant , 2022)) that launching a product into the market must be arguably the most exciting time for a new product team. The deployment is a carefully planned series of activities that take place in a specific order and include a number of teams. To orchestrate a long-term launch of the new product development to contribute to venture success, team members from marketing, training, customer support, sales, and other departments work across functional boundaries. This is known as a cross-functional team effort (Adula & Kant, 2022).

Senior management staff support and initiation for new product development and success is the base for the company. So, findings revealed that senior management commitment has a positive and significant effect on new product success with a beta value (beta =.198), at 95% confidence level ($p < 0.000$). This result is in line with the findings of (Falahat, et al., 2024)), which show that internal obstacles include structural problems inside organizations, transitory team membership, communication barriers between functions, and flexible team boundaries can all significantly hinder the successful implementation of NPD. These internal dynamics, although within a firm's control, require careful orchestration and a strategic alignment of team objectives with the broader organizational goals. According to (Suwannaporn & W. Speece, 2010)) studies, the use of marketing research during the NPD process seems to be the most important factor leading to higher success rates. However, internal information flow and communication is also an important determinant. Likewise, supplier linkages show an impact, though perhaps slightly less than that of information flow and communications.

Planning and strategy for new products are also important.

However, this findings also indicates market environment factors have a positive and significant effect on new product success with a beta value (beta =.284), at 95% confidence level ($p < 0.000$). This result is consistent with the findings of (José & Benito, 2004), (Chorda, et al., 2002) and (Gonzalez & Palacios., 2002), which means market orientation has a great contribution for new products success.

The finding of Bobrow (1997), Tholke, Hultink, & Robben, 2001 are congruent for the reason that market orientation has a great contribution for new products success.

Therefore, the involvement of different agents and suppliers in the NPD process as early as possible leads the company to get great potential benefits. In addition to this conducting a continuous R&D programs help to acquire new inputs which may lead the new products to be successful. A clearly defined processes or methods used to search important knowledge, clear flow and easy access of knowledge between the knowledge supplier & knowledge demander is very important and it is important to enhance the new product development process. On time decision-making increases the success of the new products or reduces the risk that can cause new product failure. If top level management gives decisions on time bases, the NPD process goes smoothly as per the schedules.

4.7 Secondary Data

4.7.1 Total sales

The sales data and revenue for the previous five years were used as secondary data to obtain an indepth understanding of Habesha Beer new product sales achievement. The total net sales data for each brand of the past five years is as follows:

Table 9 Total Net Sales

Table 4. 13: Total Net Sales

Products	2019	2020	2021	2022	2023
Habesha Beer	1,037,436,825.55	752,886,262.70	857,713,339.40	1,188,923,864.58	1,474,348,471.75
Negus Beer	75,786,305.67	54,068,929.35	60,094,560.00	114,016,756.89	170,888,612.63
Kidame Beer		20,791,591.36	10,569,708.79	28,874,385.88	24,001,118.38
Habesha Draught		862,488.00	126,179,132.35	398,867,117.76	653,427,964.26
Feta Beer					13,857.00
Kidame Draught					138,206.25
Habesha Kostara					4,052.68
Total	1,113,225,150.22	828,611,291.41	1,054,558,761.54	1,730,684,147.11	2,322,824,305.95

Source: Habesha Beer sales report, 2023.

As indicated on the above table, the total net sales of Habesha Beer for the last five years shows increment except on 2020 and 2021, on the remaining years it is increases. Moreover, Kidame Beer total net sales increased from 20,791,591.36 to 24,001,118.38. While Habesha Draught total net sales at the same time Increased from 862,488.00 to 653,427,964.26. However, after launching new

products, the sales revenues has incurred different ups and downs due to various reasons such as the COVID pandemic and political instability in the country as mentioned in the annual report.

Furthermore, Habesha Breweries launched its recent new products after 2022 such as Feta Beer, Kidame Draught, and Habesha Kostara. They have achieved minimal initial sales in Addis Ababa market with the net sales value of 13,857.00, 138,206.25, and 4,052.68, respectively. According to the annual report, this is mainly due to the fact that both feta and Habesha kostara are launched targeting mainly the Northern regional Market.

Table 10 Gross Sales

Table 4. 14: Gross Sales

Products	2019	2020	2021	2022	2023
Habesha Beer	1,193,052,386.26	1,148,186,459.00	1,343,586,749.92	1,823,836,750.38	2,277,943,500.72
Negus Beer	87,154,264.71	74,623,059.73	87,833,129.84	168,748,660.17	258,536,929.63
Kidame Beer		33,862,620.88	16,052,582.30	44,975,423.13	38,655,428.02
Habesha Draught		1,418,786.28	192,792,041.43	609,181,486.39	1,000,050,794.67
Feta Beer					21,357.00
Kidame Draught					215,933.35
Habesha Kostara					6,116.26
Total	1,280,208,669.97	1,258,092,945.89	1,640,266,524.49	2,646,744,342.07	3,575,432,082.65

Source: Habesha Beer report, 2023.

Based on the above two tables table, the analysis of Habesha Breweries' sales data from 2019 to 2023 reveals significant growth across its product lines, particularly for Habesha Beer and Negus Malt. Habesha Beer has shown consistent and substantial sales increases, indicating strong market acceptance and effective distribution strategies. Negus malt also experienced notable growth, especially from 2021 onwards, suggesting improved market penetration and brand recognition. Newly introduced products, such as Kidame Beer and Habesha Draught, have shown varying levels of success, with Habesha Draught demonstrating rapid growth since its launch in 2020. The overall increase in total net sales and gross sales for the company, more than doubling and nearly tripling

respectively over five years, highlights the effectiveness of the company's product strategies and expanding market reach.

Despite the success of established products, the new brands launched after 2022, including Feta Beer, Kidame Draught, and Habesha Kostara, have reported minimal initial sales in Addis Ababa market, which is typical for new market entries. This calls for increased marketing and distribution efforts to build brand recognition and capture market share. The fluctuations in sales for Kidame Beer suggest the need for targeted strategies to stabilize and grow this brand. Overall, the strong performance across most product lines underscores the company's robust growth and successful market strategies, while also highlighting opportunities for further expansion and market penetration with its new product offerings.

4.7.2 Net Revenue

Table 4. 15: Net Revenue

Table 11 Net Revenue

Year	Revenue Growth
2019	2,813,600,393.00
2020	1,949,825,072.00
2021	2,300,059,705.00
2022	3,848,223,163.00

Source: Habesha Beer report, 2023.

Habesha Breweries has shown impressive revenue growth over the past few years. There was a significant jump between 2021 and 2022, suggesting successful strategies like product launches or market expansion. This consistent growth indicates the company's growing market share and ability to adapt to consumer demands.

The sharp increase in recent years is likely due to new products and improvements to existing ones. Strategic investments in marketing, product development, and distribution are likely paying off, leading to strong financial performance.

Habesha Beer and Negus Beer are leading the way in sales, with new offerings like Habesha Draught contributing significantly as well. While some newer products like Kidame Beer require improvement, the overall trend reflects a successful expansion and effective market penetration strategy. The substantial revenue growth, especially recently, highlights Habesha Breweries' strong financial health and market adaptability.

The above secondary data on Habesha Breweries' sales and revenue over the past five years provides essential detailed sales figures per product, highlighting the market acceptance and growth trends of each variant, such as the consistent increase in Habesha Beer sales and the rapid growth of Habesha Draught. The data also reflects the impact of external challenges like the COVID-19 pandemic and political instability, illustrating the resilience of new products under adverse conditions. Initial sales figures for products introduced post-2022, such as Feta Beer and Kidame Draught, offer a glimpse into the challenges of new market entries, while the substantial revenue growth underscores the financial outcomes of effective product and market strategies.

CHAPTER FIVE

5. SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Summary of findings

In this chapter, the research findings regarding the organizational determinants of new product success at Habesha Breweries are summarized. The study identified key factors that significantly impact the success of new product development initiatives within the organization. Based on the objectives and findings of the study, the following conclusions are were drawn.

The demographic data for gender shows that out of the 183 respondents, there were 125 males and 58 females. The sample population age distribution was clearly depicted and largely dominated by respondents who are at the age of 31-40 years old covering 41.0%. Thus, the data indicated that most of the respondents are youth. With regard to the education level, the majority or more than half of the sample group is first degree holders which accounted 55.2% followed by master's degree holders 23.5%.

Besides, the current professional position of employees, based on their responses 44.2% are working as Sales officer, 17.1% are working as marketing officer, 13.2% are working as operator, 10.7% are working as research and development officer, 6.8% are working as finance and admin, 5.7 are working as manager and 2.3 are working as agent. Regarding the working experience at Habesha breweries, the respondents replied that 38.8% have 6 to 10 years' experience at Habesha breweries. The remaining has 2 to 5 years, Less than 2 years, and More than 10 years' experience at Habesha breweries with the value of 33.9%, 14.2%, and 13.1%, respectively.

The respondents moderately agreed on the new product development strategy aligns with the overall goals and mission of Habesha Breweries, the new product development strategy at Habesha Breweries is well- aligned with market trends, the new product development strategy entertain monitoring and evaluation system, and resources (time, budget, personnel) are allocated effectively according to Habesha Breweries NPD strategy with the mean value of 2.89, 3.34, 3.16, and 2.75, respectively. So, it can understand that there is gaps on the new product development strategy aligns with the overall goals and mission of Habesha Breweries, the new product development strategy at Habesha Breweries is well- aligned with market trends, the new product development strategy entertain monitoring and evaluation system, and resources (time, budget, personnel) are allocated effectively according to Habesha Breweries NPD strategy.

As indicated in the finding respondents moderately agreed on the work environment at Habesha Breweries supports experimentation and risk-taking in new product initiatives and leadership within

the organization actively promotes and supports a culture of innovation in new product development with the mean value of 2.90, and 3.24, respectively. Hence, the major gaps on product development culture are work environment at Habesha Breweries supports experimentation and risk-taking in new product initiatives and leadership within the organization actively promotes and supports a culture of innovation in new product development.

Moreover, respondents moderately agreed on senior management at Habesha Breweries actively supports new product development initiatives, senior management allocates sufficient resources and budget for new product development, and senior management's commitment is evident in the strategic planning of NPD activities with the mean value of 3.08, 3.39, and 3.36, respectively. Therefore, the major challenges from Senior Management Commitment sides for new product success are senior management at Habesha Breweries actively supports new product development initiatives, senior management allocates sufficient resources and budget for new product development, and senior management's commitment is evident in the strategic planning of NPD activities.

Based on the responses of respondents, they are moderately agreed on changes in consumer preferences and trends influence the performance of new products at Habesha Breweries and social and cultural trends in the market influence consumer acceptance and adoption of new products from Habesha Breweries with the mean value of 3.34 and 3.08, respectively. Consequently, the major challenges on Market Environment Factors are changes in consumer preferences and trends influence the performance of new products at Habesha Breweries and social and cultural trends in the market influence consumer acceptance and adoption of new products from Habesha Breweries.

With regard to the Pearson correlation coefficient values for new product strategy, product development culture, senior management commitment, and market environment factors were 0.688, 0.521, 0.390, and 0.512, respectively. As a result, the relationship between product strategy, product development culture, and market environment factors with new product success is strong. While, the relationship between senior management commitment with new product success is medium level.

Finally, model coefficients estimation result, since the significance values of all the independent variables have values less than 0.05, the independent variables are positively significant at 1 % significance level. The estimated coefficients give a measure of the contribution of each variable to the model. Based on the above regression coefficient estimation result, new product strategy content is higher with coefficient value of 0.566 followed by market environment factors (0.284), senior management commitment (0.198) and product development culture (0.184).

5.2 Conclusion

Data was presented and analyzed by using descriptive statistics, correlation analysis and multiple regression analysis to identify the determinants of new product development on new product success of Habesha Breweries. Therefore, based on the finding of the result the following conclusions were drawn:

- With regard to the new product strategy, the finding shows there is gap on the alignment of new product development strategy with the overall goals and mission of Habesha Breweries. Besides, the new product development strategy is not well- aligned as required with market trends, it also lacks monitoring and evaluation system, the assignment of resources such as time, budget, and personnel are not sufficient for the new product strategy.
- Product development culture is the backbone of most companies and organization. However, Habesha Breweries product development culture is influenced by the following factors such as lack of supports during experimentation of new products and low risk-taking in new product initiatives and leadership within the organization are not actively promotes and supports a culture of innovation in new product development.
- The success of new product without commitment of the staff is difficult. Meanwhile, senior management commitment in Habesha Breweries is low to aggressively support new product development creativities, senior management are does not allocates sufficient resources and budget for new product development, and management commitment is low on the strategic planning of NPD activities.
- Assessing and analyzing the market environment within the Brewery industry helps to exist within the competition and to have large market share. External factors such as economic conditions, consumer preferences, and distribution channels significantly impacted the success of new products. However, it lack to intensively assess consumer preferences and lack of assessing trends influence the performance of new products and social and cultural trends in the market influence consumer acceptance and adoption of new products.
- Generally, the regression model coefficients estimation result shows that there is positive and significance relationship between new product development with new product strategy, market environment factors, senior management commitment and product development culture.

5.3 Recommendation

Based on the study's findings and conclusions, the following recommendations are made, with an emphasis on the weak areas that require further improvement. The recommendations if implemented are believed to enhance the NPD process and finally to increase the success rate greater in Habesha Breweries. Hence, Habesha Breweries should give more focus on the below issues such as:

- **Provide strategic planning training:** It is recommended that Habesha Breweries should provide strategic planning training for its management staff with the higher education institutes.
- **Avail contingency plan:** Habesha Breweries should have a contingency plan for reducing raw materials shortage due to unexpected product demand on pick seasons such as holydays, new years, and special orders.
- **Strengthen leadership engagement:** Senior management should maintain an active role in NPD processes, not only by providing resources but also through direct involvement in strategic decisions.
- **Cultivate an innovative Culture:** Habesha Breweries should strive to foster a culture that supports innovation and cross-functional teamwork. This can be achieved through training programs, team-building activities, and recognition of innovative efforts.
- **Monitor market trends closely:** Regular analysis of market trends and consumer behavior should be conducted to adapt NPD strategies promptly and effectively.

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Appendix I: Questionnaire

ADDIS ABABA UNIVERSITY SCHOOL OF COMMERCE

This questionnaire is designed to assist the research titled **Organizational Determinants of New Product Success: The Case of Habesha Breweries**. This questionnaire is intended to gather data on the topic selected for study. To make this research work successful your contribution through attempting the entire question will be significantly important. Therefore, the researcher would like to appreciate your contribution. Information provided will only be used for the purpose of this research and the data will be kept confidentially.

Dear respondent: Please put tick mark on your choice by using \surd sign

Part I: General Information

Sex:

Male Female

Educational background:

MSC and above BA Diploma Below diploma

Current Professional Position:

Marketing Officer Manager R&D Officer Agent Sales Officer
Finance and Admin Operator

Working Experience at Habesha Breweries:

Less than 2 years 2 to 5 years 6 to 10 years More than 10 years

Age:

20-25 26-30 31-40 Above 40

Part II

Code	Item	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
PDS1	Habesha Breweries New Product Development strategy effectively identifies customer needs and market trends.					

PDS2	The New Product Development strategy supports rapid development and commercialization of new products.					
PDS3	Feedback and learning from past projects are incorporated into Habesha Breweries NPD strategy.					
PDS4	The NPD strategy prioritizes projects based on their potential market impact and alignment with Habesha Breweries' strengths.					
PDS5	The new product development strategy fosters a culture of innovation and creativity within the organization.					
PDS6	Habesha Breweries New Product Development strategy is clearly defined and well communicated within the organization.					
PDS7	The New Product Development					
	strategy aligns with the overall goals and mission of Habesha Breweries.					
PDS8	The new product development strategy at Habesha Breweries is wellaligned with market trends.					
PDS9	The New Product Development strategy encourages New Ideas.					
PDS10	Resources (time, budget, personnel) are allocated effectively according to Habesha Breweries NPD strategy.					
SMC1	Senior management at Habesha Breweries actively supports new product development initiatives.					

SMC2	Senior management provides clear direction and guidance for new product development projects.					
SMC3	Senior management allocates sufficient resources and budget for new product development.					
SMC4	Senior management actively participates in decision-making processes related to new product launches.					
SMC5	Senior management communicates the strategic importance of new product success to all employees.					
SMC6	Senior management encourages risktaking and experimentation in new product development.					
SMC7	Senior management fosters a culture of transparency and open communication regarding new product initiatives.					
SMC8	The involvement of senior management positively influences the morale of the NPD team.					
SMC9	Senior management's commitment is evident in the strategic planning of NPD activities.					
SMC10	The level of senior management commitment directly influences the market success of new products.					

PDC1	The organizational culture at Habesha Breweries encourages creativity and innovation.					
PDC2	Cross-functional collaboration and teamwork are valued within the organization's new product development processes.					
PDC3	The work environment at Habesha Breweries supports experimentation and risk-taking in new product initiatives.					
PDC4	Employees feel empowered to contribute ideas for new products.					
PDC5	Continuous learning and improvement are key aspects of the new product development culture at Habesha Breweries.					
PDC6	The organizational culture promotes a customer-centric approach to new product development.					
PDC7	Leadership within the organization actively promotes and supports a culture of innovation in new product development.					
PDC8	The new product development culture at Habesha Breweries aligns with the company's overall values and mission.					
MEF1	Changes in consumer preferences and trends influence the performance of new products at Habesha Breweries.					

MEF2	Economic conditions in the market affect the demand for new products from Habesha Breweries.					
MEF3	The availability of distribution channels and retail networks influences the reach and sales of new products from Habesha Breweries.					
MEF4	Social and cultural trends in the market influence consumer acceptance and adoption of new products from Habesha Breweries.					
MEF5	Environmental sustainability considerations play a role in the development and marketing of new products at Habesha Breweries.					

Part III

	Item	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
NPSS1	Customers are willing to purchase Habesha Breweries's new products					
NPSS2	The new products have significantly captured or increased market share.					
NPSS3	The new products have contributed positively to the profitability of Habesha Breweries.					
NPSS4	The new products provide a competitive advantage in the market.					
NPSS5	The new products have improved the brand recognition of Habesha Breweries.					
NPSS6	The development of new products leads to use new technologies that increase the total production of Habesha Breweries					

