



NEW PRODUCT ADOPTION IN UGANDA

ABSTRACT

There is a high rate of new product failure on the market that has resulted into loss of organizational resources. However, there is also clear evidence of firms that have registered over 80% new product success within the same business environment. Focusing on the firm perspective, the study investigated the antecedents of new product adoption in Uganda. Using the dynamic capabilities theory, unified theory of brand equity and complexity theory, this study examines the relationships between dynamic marketing capabilities, organizational learning, consumer based brand equity and new product adoption in Uganda.

The study adopted a critical realism approach where both quantitative and qualitative data were collected. Further, the study was cross sectional, this implies that data was collected at a particular point in time. Quantitative data were collected from marketing staff and customers of 210 beverage manufacturing firms in Uganda. Thereafter, data were processed and analyzed using Statistical Package for Social Scientist (SPSS) version 21 and Analysis of Moment of Structures (AMOS) version 20, following the guidelines of Structural Equation Modeling (SEM). Qualitative data were collected from 15 cases and later analyzed using matrices, event listing matrices, NVivo (9), vignettes and radial diagrams.

The study found out that organizational learning was essential in the development of the dynamic marketing capabilities for the firm especially through dialogue and continuous interaction with environment. However, organizational learning was only found to have a significant relationship with consumer based brand equity and new product adoption only when mediated by dynamic marketing capabilities. Dynamic marketing capabilities of the firm in form of pricing capabilities, promotion capabilities, product development capabilities and relationship marketing capabilities were found to be significantly related with consumer based brand equity and new product adoption.

The study concluded that there is need for continuous transformation of existing procedures in organizations through which dynamic marketing capabilities are developed. The study also advanced the view that consumer based brand equity eases new product adoption and orchestration of dynamic marketing capabilities forms the firm's competitive advantage. Basing on these conclusions, the study recommends that firms should interact regularly with their customers to gather meaningful feedback that can be used to transform routine procedures into capabilities. Firms should also endeavor to strengthen their consumer based brand equity to attract customers to the firm and its products.

Therefore, this study confirms that a combination of organizational learning, dynamic marketing capabilities and consumer based brand equity can explain the role of firms in influencing new product adoption in a developing country like Uganda.