

Product Differentiation Strategies as a Competitive Tool in the Sales of Soft Drinks in Ebonyi State Senatorial Zone (A Study of RC Company Product)

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Abstract: Product differentiation is not without its own problems, the major problem encountered in differentiating the market end, marketers know that not every person is a customer. They know that not every person is a customer. The main objectives of this study are to look into the product differentiation strategies as a competitive tool. Specific objectives of the study are: to examine the price differences that would make customers to prefer RC products to other soft drink in the industry, to find out if taste of RC soft drink product is a tool for competitive strategy for the sales of other soft drink product in Ebonyi State Senatorial Zone, to find out if the sugar content of RC soft drink is a tool for product differentiation and acceptability in the soft drink industry, to find out if the packaging of RC soft drink is a tool for product differentiation of other soft drink and to find out if availability of a product contribute to product differentiation in the soft drink industry. The study adopted survey method and the convenient sampling of the non-probability was adopted in selecting a sample size of 160, 139 respondents returned the questionnaire, whole 21 respondents did not return using Topman's formula. Data were collected using questionnaire. Data was examined for validity and reliability using cronbach alpha and analyzed using statistics package of social sciences (SPSS) version 20 of Spearman Rank correlation Analysis and descriptive research design. The result of the study revealed that Price differentiation taste, sugar content, packaging and availability of RC product affects sales of RC products in Ebonyi south senatorial Zone at Level of Significant: $\alpha = 0.05$.

Keywords: Product differentiation, price differences, Taste, packaging, availability of a product

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CHAPTER ONE

1.1 BACKGROUND OF THE STUDY

Product differentiation refers to the strategy used by companies to distinguish their product or services from competitors. It involves distinguishing a product or service from others, hence, increasing its attractiveness to a particular target group (Aballa, 2018). May

be, in today's heavily crowded market where a number of products from a large number of companies or brands is available for the customers, it would not be possible for a marketer to market his product so easily, unless and until the target customer knows what they have to buy and from where; at a reasonable price (Vikas, 2019).

In the context of soft drinks industry, this could involve creating unique flavor, packaging, branding or marketing campaigns to make a product stand out in the market.

Any association that decides to operate in soft drink industry must recognize that it can neither save nor appeal to the total market with one product or one marketing mix. The idea is born out of the fact that the buyers may be too numerous and widely spread and different in their purchasing behaviour. Product differentiation is not without its own problems, the major problem encountered in differentiating the market end, marketers know that not every person is a customer, they know that not every person is a customer, they know that consumers want more than some specific qualities in a product hence the marketer endeavours to science various segmentation in the market by introduction varieties of products.

Innovation is the basic tool for serving and satisfying different segments in the market and satisfying different segments in the market and offering of varieties of products for instances, marketers think that the market is made up of homogenous buyers while the market is heterogeneous in one product. Although the term is broadly used, innovation generally refers to the creation of better or more effective products, processes, technologies, or ideas that affect markets, governments, and society (Chandra & Karthika 2013).

According to Achmad & Fadhil (2022), Innovation is needed by consumers to fulfill their desires according to their respective needs. Therefore, industry players are required to make product innovations in order to satisfy the needs of their consumers. With this innovation, the ability to solve problems creatively and create opportunities to increase income and performance in business. So, people take a product in order to feel relaxed as such the company will favour her product appeal to satisfy the needs of her various consumers in the realization, the marketer is shown to know that the market is always changing. The successful exploitation of new ideas is crucial for a company to be able to improve its processes, bring new products and enhanced services on the market, and increase its efficiency and, what is most important to improve its performance (Adhikari, 2011). The price of innovation here could be to create a distinct value in a product by the rivals. Supporting the assertions, Rahul (2015) posited that the important issue for any business adopting this strategy is to ensure that customers really do have different needs and wants - in other words that there is a valid basis for differentiation - and that existing competitor products are not meeting those needs and wants.

For a study in Ebonyi State Senatorial Zone, Research is being done on how soft drink companies especially RC company to differentiate their product in the region to gain a competitive edge. This could involve analysing factors such as local taste preferences cultural influence pricing strategies or distribution methods. Additionally, examine consumer behaviour and perceptions related to different soft drink brands could provide valuable insights into the effectiveness of product differentiation strategies in this specific market.

1.2 Statement Of the Problem

The soft drink market in Ebonyi South Senatorial Zone faces, intense competition with numerous brands for consumer, attention. Despite the variety of products available, there is a lack of clear differentiation strategies among soft drink companies leading to a saturation of similar offerings. This has resulted in stagnant sales and limited market growth opportunities. The challenge is to identify effective product differentiation strategies that can enhance brand visibility attract consumers and ultimately boost sales within the Ebonyi South Senatorial Zone.

There are lots of problems which promoted the urge to carry out this research especially in Ebonyi south senatorial zone.

1.3 Objectives of the Study

The main objectives of this study are to look into the product differentiation strategies as a competitive tool. The specific objectives include:

1. To examine the price differences that would make customers to prefer RC products to other soft drink in the industry.
2. To find out if taste of RC soft drink product is a tool for competitive strategy for the sales of other soft drink product in Ebonyi State Senatorial Zone.
3. To find out if the sugar content of RC soft drink is a tool for product differentiation and acceptability in the soft drink industry.
4. To find out if the packaging of RC soft drink is a tool for product differentiation of other soft drinks
5. To find out if availability of a product contribute to product differentiation in the soft drink industry.

1.4 Research Questions

2. How does price differentiation make customers to prefer RC products to other soft drink in the industry?
3. In what ways does taste of RC soft drink product result to competitive strategy and sales of other soft drink product in Ebonyi South Senatorial Zone?
4. How does sugar content of RC soft drink serve as a tool for product differentiation and acceptability in the soft drink industry?

5. What effect does packaging have in RC soft drink in its product differentiation compared to other soft drinks?
6. How does the availability of a product contribute to product differentiation in the soft drink industry?

1.5 Research Hypotheses

The research hypothesis for this work specifically focuses on RC company product could be formulated based on the objectives of the research. These hypotheses typically state the expected relationship or differentiate that the study aim to investigate. Here are a few examples:

- 1) H_0 : - Price differentiation does not affect sales of RC products in Ebonyi South Senatorial zone
 H_1 :- price differentiation affects sales of RC product in Ebonyi South Senatorial Zone
- 2) H_0 : - Taste of RC soft drink product does not significantly influences the competitive strategy and sales of other soft drink products in Ebonyi South Senatorial zone.
 H_1 : - Taste of RC soft drink product significantly influences the competitive strategy and sales of others soft drink products in Ebonyi South Senatorial Zone.
- 3) H_0 : - Sugar content of RC soft drink does not serve as a tool for product differentiation and directly affects its acceptability in the soft drink industry.
 H_1 : - Sugar content of RC soft drink serves as a tool for product differentiation and directly affects its acceptability in the soft drink industry.
- 4) H_0 : - There is no significant difference in product differentiation between RC soft drink and other soft drinks based on their packaging.
 H_1 :- There is a significant difference in product differentiation between RC soft drink and other soft drinks based on their packaging
- 5) H_0 : - There is no significant relationship between the availability of a product and its contribution to product differentiation in the soft drink industry.
 H_2 :- There is a significant relationship between the availability of a product and its contribution to product differentiation in the soft drink industry.

1.6 Scope of the Study

The scope of a study on the topic of product differentiation strategy as a competitive tool in the sales of soft drinks in Ebonyi South Senatorial Zone focusing on RC company products would likely involve analyzing various aspects related to product differentiation strategies. This could include studying the specific strategies employed by RC company to differentiate its soft drinks from competitors, understanding consumer preferences and perceptions, evaluation, market trends, and assessing the effectiveness of these strategies in boosting sales and market share within the Ebonyi South Senatorial Zone. Additionally, the study may explore the impact of regional preferences, cultural factors pricing strategies and marketing efforts on the sales of RC company's soft drinks in the specified area.

1.7 Significance of the Study

Any company producing highly competitive to distinguish need to differentiate it's product so as to distinguish it from that of the other competitors as well as to be able to respond well to the challenges of the market competition. This will be useful to business owners especially small business owners who will than learn that it pays to differentiate one's products as this policy will increase the firm's sales, volume, market, share and profit. The government will also benefit from the fruits of the research since the improvement of the profit of firm will improve the nation's economy.

1.8 Organization of the Study

The Study is grouped into five (5) chapter one is the general introduction of the study it looks at the background of the study, statement of problem, objectives of the study, research questions. It also briefly looks at the research hypothesis, scope, significance and organization of the study;

Chapter two looks at the literature review the literature review is a based on the research questions used in the study. They conceptual framework was detailed to review past journal research works and lastly the theoretical framework which focuses on the theory lies that is/are relevant to the study.

Chapter three (3) is on the methodology, it explains the research design. It also gives details about the selection of data, collection of data, population of the study, sample of determination. Sample design, validity of instrument, it went further to explain reliability of instrument and data analysis. Chapter four (4) looks at data presentation and analysis, testing of hypothesis and discuss of findings. Chapter five (5) provides summary of finding, conclusion, Recommendation. Limitations of the study, suggestion for further studies and contribution to knowledge.

1.9 Definition of Terms

The value of a research is incomplete avoid some misconception or misinterpretation that may arise.

- i. **Competitive Tools:** -This refers to the strategies, techniques, resources and approaches that business use to gain an advantage over their competitors and achieve superior performance in the market place.
- ii. **Strategy:** -This is a plan of action designed to achieve a long term or overall aim.
- iii. **Product Differentiation:** This is a marketing strategy that involves creating a unique product or service with distinct features, benefits or attributes that set it apart from competitors in the eyes of the consumers.
- iv. **Sales:** This refers to the process of exchanging goods, services or products for money or other form of compensation. It involves the activities and interactions between a seller (individual business or organization) and a buyer where the seller presents their products or services to the buyer with aim of convincing them to make a purchase.
- v. **Product Standardization:** This is a tool in market segmentation which treats the whole market by producing the sales standard of product for the entire market.

1.10 Brief History of the Firm

Royal crown (RC) was born from the efforts of Claud Adkin Hatcher a turn-of-the-century pharmacist residing in Columbus Ohio who co-owned a grocery wholesale business in 1901 to sell in his family grocery store. After customer clamoured for the drink, the family expended into the soft drink business, starting union bottling works. Its best-selling product "Chero- Cola" insisted on exclusive rights to the word "Cola" High legal bills and rising sugar prices forced the company to drop "Cola" from its name in 1923. When the market for "Chero" dropped off, the company discontinued the beverage pushing forwards with a fruity soft drink called "Nehi" instead "Chero" became "Nehi" corporation in 1930s. "Nehi" began to struggle, competition and lacklustre sales made it hard for the company to pay its bills. Hatcher died in 1933, H. R. Mott took control of Nehi, dropping poor-performing drinks and streamlining operations to make the company debt free in a year. Mott's plan includes taking the original "Chero-Cola" released in 1934 and named it "Royal crown" after Hatcher's first drink was a big hit and in the late 1950s the company changed its name to **Royal Crown Cola Company**. Mott was replaced by C.C. Colbert as [president & Chief Executive officer in 1954 it became the first beverage company to nationally distribute soft drink in cans. Shortly thereafter in 1959 RC became one of the first to introduce the sixteenounce bottle. The royal crown products reported reached only 2.5 percent of the Soft drink market in the Mid-1990s.

RC cola was bought in October 2000 by the British Company Cadbury Schweppes. It's us operations continued under Cadbury Schweppes largest beverage Subsidiary while its international operations are handed by Canada's Cott Cooperation.

CHAPTER TWO

REVIEW OF RELATED LITERATURE

2.1 CONCEPTUAL REVIEW

Drawing up a robust theoretical foundation, this framework elucidates key concepts integrate understanding the researcher's scope and significance.

Product Differentiation Strategy:

Here, product differentiation refers to the various strategies and techniques used by companies to make these products distinct from those the competitors. The strategy of differentiation requires that the firm creates either a product or provides a service, that is recognized as being unique, thus permitting the firm to command higher than average price (Dedi, 2018). This distinction can be based on the factors such as:

Flavour variety: Soft drink companies often offer a wide range of flavours to cater to diverse consume preferences for examples, Coca-Cola and Pepsi company. For example, Coca and Pepsi Company and RC Company produce various flavour from Classic Cola fruit-based on taste preferences.

PACKAGING: Unique and eye – catching packaging can differentiate a soft drink product creative bottle shapes, colourful labels and environmental friendly packaging materials can attract customer for instance RC Company has introduced a cylinder shaped bottle instantly recognised to consumer.

Banding and Advertising: Strong handing and effective advertising campaigns help create a unique identify for soft drink products. RC's company's Best by taste test campaign where personalized names were printed on cans and bottles created a personalized connection with consumers increasing brand loyalty.

- I. Targeted Marketing:** Soft drink companies target specific demographics and market segment with tailored marketing strategies. For instance, energy drinks like Red bull are marketed towards young adults and athletes emphasizing the energy boosting properties.
- II. Partnership and Collaboration:** Soft drinks companies collaborate with other brands or celebrities to create limited edition or specific flavour release. These collaborations generate buzz and excitement among consumers encouraging them to try the new products.

- III. **Health Benefits:** With the growing focus on health. Some soft drink companies differentiate their products by offering options with natural ingredients, lower sugar content or other health benefits. These products cater to health conscience consumers.
- IV. **Customization Options:** Some companies allow consumers to customize their drinks flavours sweeteners or fizz levels. This level of personalization enhances the customer experience and sets the brand apart.
- V. **Innovative Ingredients:** Companies differentiate their products by incorporating unique or exotic ingredient. For example, beverages with natural herbs, organic extracts or unique fruit blends cates to adventurous customer seeking new taste experience.
- VI. **Ethical And Environment Initiatives:** Soft drink companies that prioritize ethical sourcing sustainable practices or environmental incentives can differentiate themselves in the market. Consumers increasingly prefer products for socially responsible companies.

It involves creating unique features benefits or qualities in a product to make a distinct from competitor's offerings. Product differentiation storage typically includes the following elements: -

- 1.) Market Research
 - Understand customer needs, preferences and pain points
 - Analyse competitors' products and their strengths and weaknesses.
- 2.) Product development
 - Innovate and create new features technologies or design elements
 - Focus on quality, reliability and performance
- 3.) Brand identity
 - Build a strong brand image and reputation
 - Communicate brands values, mission and unique selling proposition (USP)
- 4.) Customization
 - Offer customizable options to cater to diverse customer preferences
 - Personalize product based in individual needs and requirements.
- 5.) Pricing strategies
 - Implement value-based pricing reflecting the perceived value of customers.
 - Use psychological pricing factors to influence percentration (e.g. Charm pricing, prestige pricing)
- 6.) Marketing and Communication
 - Develop compelling marketing campaigns highlighting unique features.
 - Utilize digital marketing, social media and other channels to reach the target audience
- 7.) Distribution channels

- Choose appropriate distribution channels to ensure product availability.
- Explore exclusive partnership or limited distribution to enhance perceived value.
- 8.) Customer experience
 - Provide exceptional consumer service and support.
 - Focus on post-purchase services, warranties and customer feedback mechanisms.
- 9.) Sustainability and social responsibility
 - Emphasize eco-friendly practices and sustainable sourcing
 - Engage in corporate social responsibility initiatives to build a positive brand image.
- 10.) Continuous improvement
 - Gather customer feedback and market data for continuous product enhancement.
 - Stay updated with industry trends and emerging technologies for future innovation.
- 11.) Legal Protection
 - Obtain patents, trademarks or copy rights to protect unique product features.
 - Monitor and enforce intellectual property rights to prevent limitation.
- 12.) Monitoring and adoption
 - Regularly monitor market trends, customer feedback and competitor's activities.
 - Be willing to adopt strategies based on changing market dynamics and consumer preference.

Implementing these elements within a structure framework can help businesses create and sustain a competitive advantage through product differentiate.

Competitive tools.

Competitive analysis tools play a crucial role in understanding a company's position in the market. Marketing scholars often refer to various models and frameworks to access competitive advantages. One permanent tool is porter's five forces, proposed by Michael porter, which analyses five key factors: -

- i. Threat of New entrants: This Factor assesses how easy it is for new companies to enter the market. In the context of RC company barriers, like brand recognition, patent and distribution network can deter new entrants.
- ii. Bargaining power of buyer: buyers' ability to negotiate price and terms can significantly impact a business. For RC product this could mean evaluating customer loyalty, switching costs and availability of alternative product.

- iii. Bargaining power of suppliers: suppliers with significant power can affect a company's profitability scholars analyze the availability of RC components, the uniqueness of supplier services and the number of suppliers in the market.
- iv. Threat of substitutes: RC products might face threat from substitutes like Smartphone apps or other entertainment gadgets. Marketing availability
- v. Competitive: Intense competition with the RC industry can impact prices, profit and market share of competitors their Capabilities and market saturation of understand this force.

Additionally, scholars often refer to the SWOT analysis (Strengths, Weaknesses, and Opportunities, Threat) to evaluate a company's internal strengths and threats. Moreover, concepts from scholars like lotter's marketing mix product, price place, promotion) are essential. For instance, analyzing, the RC company's product features, pricing strategies, distribution channels and promotion activities provides insights into its competitive positioning. By employing these tools and frameworks marketing scholars can offer valuable insights into the competitive landscape of RC company products.

Sales

When it comes to discussing sales for RC cola, the focus is often on the diverse product range and marketing strategies. RC Cola, a renowned soft drink company, offers a variety of Flavours that cater to different consumer preferences. Their product line-up includes classic Coal Duet Cola, and several fruity Flavours, appealing to a wide customer base.

In the context of sales, It's crucial to emphasis the company's strong distribution network. RC products are readily availability in convenience supermarket, restaurants and vending machines, ensuring, easy access for consumer. This widens food availability contributes significantly to their sates figures. Moreover, RC's marketing initiative play a proposal role in boosting sales. They often engage in promotional campaigns, sponsorships, Creative advertisements to create brand awareness and attract new customers. Social media platform is also beverage effectively to connect with the younger demographic, driving sales through online channels.

Additionally, the company's focus on customer satisfaction and product quality enhances customer loyalty. Positive feedback and word-of- mouth recommendations from satisfied consumer but to repeat sales and brand credibility.

In summary, RC company's success in sales can be attributed to its diverse product range, extensive distribution network, innovative marketing strategies and a commitment to delivery high quality beverages all of which combine to create a strong presence in the competitive soft drink market.

2.2 Empirical Review

The empirical review offers an insight from previous study providing a foundation for understanding the practical implications of product differentiation strategy as a competitive tool in the sales of soft drinks in Ebonyi South Senatorial Zone includes:

Okechuku and Kalu (2020) examined the impact of product differentiation of the competitive positioning of soft drink companies in Nigeria. The study focused on the Coca-Cola and Pepsi brands, which are the dominant players in soft drink market in Nigeria. The study utilized a survey research design and data was collected from 245 respondents in Ebonyi south senatorial Zone. The study employed the regression analysis technique to analyse the data. The findings of the study revealed that product differentiation plays a significant role in enhancing the competitive positioning of soft drink companies. The study found that the perceived quality of the product packaging and branding significantly influenced consumers' purchasing decisions. The study also found that soft drink companies that invest in product differentiation strategies tend to have a competitive advantage over their rivals. Furthermore, the study found that consumer's perception of brand image and loyalty significantly influenced their purchase intentions. The study recommended that soft drink companies should invest in product differentiation strategies that leverage on consumers preferences for product quality packaging and branding. Overall, the study provides a foundation for understanding the practical implications of product differentiation strategy as a competitive tool in the sales of soft drinks in Ebonyi south senatorial zone and highlights the importance of investment in a product differentiation as a means of securing a competitive advantage in the soft drink.

Okoli (2018) examined the impact of product differentiation strategy on consumers purchase behaviour of soft drinks in the Nigeria Market. The study surveyed 500 respondents in Lagos and Abuja and the findings showed that product differentiation had a significant effect on consumers purchase decision. The study indicated that consumers purchase decision. The study indicated that consumers were influenced by various elements of product differentiation such as packaging brand image and taste quality which contributed to their purchasing behaviours. The study indicated that brand recognition and packaging were the strongest factors influencing consumer behaviours. Additionally, the study ascertained that pricing was a significant factor in the sales of soft drinks in the Nigerian market. The findings evidenced that pricing had a considerable impact on consumer behaviour with consumers often selecting products based on how much they cost. However, the study highlighted that, despite the pricing, product differentiation remains a crucial tool for firms in competing for a market share. The study demonstrated that products differentiation is a crucial component of competing in the soft drink market in Nigeria. The researcher recommended soft drink companies to invest in product differentiation and packaging increase and enhances their competitive

edge. The study provides a foundation for understanding the practical implications of product differentiation in the sales of soft drinks an essential competitive.

Smith& Adekunle, (2021) explores the effectiveness of product differentiation strategies as a competitive tool in the Nigerian soft drink market. Utilizing a comprehensive survey of 300 consumers across major cities in Nigeria, the research investigates the influence of product quality, packaging, branding, and taste on consumer preferences and purchasing decisions. The findings highlight the crucial role of product differentiation in gaining a competitive edge and increasing sales in the dynamic Nigerian soft drink industry.

Thorpe and Shumanno (2001)analysed. the impact of differentiation strategies of soft drink brand performance. The research found that brands that employed product differentiation strategies such as Unique taste on packaging more likely to attract customer attention and achieve higher, overall sales in the market.

Delener (2010) conducted a cross-cultural study to assess the effectiveness of product differentiation strategies in the soft drink industry demonstrated that product differentiation played a crucial role in consumer's perceptions of soft drinks, influencing their purchasing decisions and brand loyalty.

2.3 Theoretical Review

Product differentiation strategy plays a significant role in the competitive landscape of the soft drink industry. The theories supporting this strategy includes: -

1. **The porter's general strategies:**This outlines differentiation as one of the three main strategies for gaining a competitive advantage. In the content of soft drinks companies focus on creating, unique features flavour or packaging to distinguish their product from competitors.
2. **The Resouce-Based View (RBV):** This theory suggest that firms should leverage their unique resources and capabilities to achieve a competitive advantage. In the soft drink industry, this could mean investing in research and development to create flavours or using sustainable sourcing methods, which can be highlighted as unique selling points to attract environmentally conscious consumers.
3. **Branding Theories:**This theory emphasis on the importance of building a strong identity. Soft drink companies often invest heavily in marketing and advertising to create emotional connection with specific lifestyles or values. This emotional bond can drive customer loyalty and influence purchasing decision.
4. **Consumer Behaviour Theory:**This theory focuses on Understanding the preferences, perceptions and behaviours of consumers companies conduct market research to identify consumer needs ad tailor then product accordingly. For example, offering healthier options such as low calorie or natural

ingredient. Soft drinks, aligns with the growing health-conscious consumer trend.

In summary, integrating these theories, soft drink companies strategically differentiate their product through unique features, branding innovation and understanding consumer preference thereby gaining a competitive edge in the market.

CHAPTER THREE METHODOLOGY

2.4 Research Design

In the work, the research that was considered most appropriate was the survey method of research design because of its descriptive properly. This type of research design describes the consumer's behaviours and to offer explanation methods of influencing their behaviours.

3.2 Selection Of Data

Analysing the selection of data in the work would involve collecting relevant market data consumer preference, competitors' strategies and economic factors. Focus on factors such as unique product features, pricing, strategies, distribution channels and targeted Marketing efforts. Conduct surveys, interviews and market data to understand consumer behaviours and preferences. Analysing this data can provide valuable insights for implementing in the soft drink market of Ebonyi South Senatorial Zone.

3.3. Collection of Data

The two major sources of data were used for the study. The researcher collected information through questionnaires which are distributed to the customers in Ebonyi South Senatorial Zone with the help of referrals.

The secondary data were collected from published materials like textbooks, journals, article and even recorded messages, newspapers as previous studies by other researchers on related field.

3.4 Population of the Study

To select the sample size, the target population of the entire population need to be defined. The findings of the study were held in Ebonyi South Senatorial zone and the customers and consumers of RC products were selected and questionnaires were personally distributed by the researcher. RC customers and consumers are infinite (unknown)

3.5 Sample Size Determination

In order to determine the sample size to act the representation of the whole population the questionnaire was administrated to the vendor and customers of RC soft drink in Ebonyi South Senatorial zone.

For the infinite or unknown population size the formula used in determining the population size is known as the “**Top-man’s formula**” i.e. $n = \frac{zpq}{e}$

Where n= required sample size

Z=Value of z- associated with the degree of confidence selected (1.96²)

P=Probability of positive response

q=Probability of negative response

e=Tolerable error margin

Assuming the total number of 1574 samples are to be used in determining the sample size with 1389 positive response and 185 negative responses

$$\text{Thus, } p = \frac{\text{positiveresponse}}{\text{totalsample}} = \frac{1389}{1574} = 0.882$$

$$q = \frac{\text{negativeresponse}}{\text{totalsample}} = \frac{185}{1574} = 0.118$$

Substituting the formula

$$\text{Therefore, } n = \frac{\text{positiveresponse}}{\text{error margin}} \times \text{negativeresponse}$$

$$n = \frac{1.96 \times 1.96 \times 0.882 \times 0.118}{0.0025} = \frac{0.3998183616}{0.0025}$$

$$n = 159.9$$

n=160

3.6 Sample Design

Since it would have been impossible to study all the consumers’ customers of RC in Ebonyi South Senatorial Zone, the design or technique adopted by the researcher was the convenient sampling of non-probability sampling. This is because the researcher made an assumption that the target population is homogenous and the individuals interviewed are similar to all the defined target population.

The required sample size of RC soft drink product in Ebonyi South Senatorial Zone is 16.

3.7 Instrument Used

The researcher used the Cronbach alpha which suggests a focus on statistical analysis. Cronbach's alpha is typically used for assessing the internal consistency of a set of survey questions, indicating how well they measure a single underlying construct. However, it's worth noting that Cronbach's alpha is not an instrument itself it's a statistical method for reliability analysis. The actual instrument or tool used in this work is the questionnaires designed to gather data on product differentiation in Ebonyi South Senatorial Zone.

3.8 Validity of Instrument

To validate the instrument for the study the researcher used content and face validity using SPSS. In order to comply with the requirements for face validity and reliability, the questionnaire was given to the supervisor and other experts who corrected mistakes and dual meaning in the content.

3.9 Reliability Of Instrument

The reliability can be assessed using Cronbach's alpha coefficient. Cronbach's alpha is a statistical measure that indicates the internal consistency or reliability of a scale or survey. To determine the reliability using Cronbach's alpha a sample of respondents needs to complete the questionnaire. The responses can be entered into a statistical software program such as SPSS to calculate the Cronbach's alpha co-efficient.

Usually, a value of Cronbach's alpha above 0.7 is considered acceptable for research purposes. If the coefficient is below 0.7, it indicates low internal consistency and the questionnaire may need further refinement or revision to enhance reliability. By conducting a reliability analysis using Cronbach's alpha the researcher will be able to determine whether the instrument is reliable and consistent in measuring the intended construct (product differentiation strategy) in the context of Ebonyi South Senatorial Zone.

3.10 DATA ANALYSIS

In carrying out this study, the data collected from the respondents was analysed with the use of Spearman Rank correlation Analysis to rate the frequency of agreement of the respondent on this opinion.

CHAPTER FOUR

DESCRIPTIVE DATA PRESENTATION AND ANALYSIS

The distribution and collection of questionnaire were done here. A clearer view of the data and its graphical presentation can be seen in Appendix A of this work. A total of 160 questionnaires were distributed and 139 collected and recorded, 21 questionnaires which amounted to about 13.125% of the entire questionnaire distributed were recorded as non-response during data collection. This was a good sample representation since 86.875% were collected and recorded from the whole population.

4.1: DATA ANALYSIS

SECTION A

TABLE1: THE GENDER OF THE RESPONDENTS

RESPONDENTS		
CATEGORY	OF	FREQUENCY
RESPONDENTS		PERCENTAGE
MALE	95	68.3
FEMALE	44	31.67
TOTAL	139	100.0

SOURCE: IBEMARYJANE. (2023) FIELD WORK SURVEY

This Table above shows the sex of the respondent of customers sampled during the survey. The descriptive statistics on the table implied that 61.7% of male against 38.3% of female responded to the questions.

Considering a scenario where the price of RC products is equivalent to other soft drinks, how likely are you to choose RC based on taste and quality?

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
VU	7	5.0	5.0	5.0
U	5	3.6	3.6	8.6
N	14	10.1	10.1	18.7
L	29	20.9	20.9	39.6
VL	84	60.4	60.4	100.0
Total	139	100.0	100.0	

SOURCE: IBEMARYJANE. (2023) FIELD WORK SURVEY

If the price of RC products were equal to other soft drinks, how likely would you still choose RC products?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid VU	13	9.4	9.4	9.4
U	9	6.5	6.5	15.8
N	8	5.8	5.8	21.6
L	64	46.0	46.0	67.6
VL	45	32.4	32.4	100.0
Total	139	100.0	100.0	

SOURCE: IBEMARYJANE. (2023) FIELD WORK SURVEY

How likely are you to switch to RC products if the price is 10% lower than other soft drinks?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid VU	10	7.2	7.2	7.2
U	9	6.5	6.5	13.7
N	12	8.6	8.6	22.3
L	16	11.5	11.5	33.8
VL	92	66.2	66.2	100.0
Total	139	100.0	100.0	

SOURCE: IBEMARYJANE. (2023) FIELD WORK SURVEY

Would you consider switching to RC product if they were priced lower than other soft drinks you currently consume even if the taste and quality were similar?

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid VU	11	7.9	7.9	7.9
U	18	12.9	12.9	20.9
N	18	12.9	12.9	33.8
L	38	27.3	27.3	61.2
VL	54	38.8	38.8	100.0
Total	139	100.0	100.0	

SOURCE: IBEMARYJANE. (2023) FIELD WORK SURVEY

4.3: TESTING OF HYPOTHESES

In this section the hypotheses formulated in chapter one of this research are tested and claims of the researcher validated. This where inference is been drawn and decision made

based on the data collected. The research hypotheses of this work were validated as follows:

STATEMENT OF HYPOTHESIS 1

H_0 : Price differentiation does not affect sales of RC products in Ebonyi south senatorial Zone.

H_1 : Price differentiation affects sales of RC products in Ebonyi south senatorial Zone.

Level of Significant: $\alpha = 0.05$

Test Statistic: Spearman Rank correlation Analysis was used to rate the frequency of agreement of the respondent on this opinion.

Rejection Rule: Reject H_0 if $P - value(Sig\ value) < \alpha = 0.05$, otherwise accept.

Statistical Software Output (SPSS)

Nonparametric Correlations

Correlations

			PD	SRC
Spearman's rho	PD	Correlation Coefficient	1.000	.890
		Sig. (2-tailed)	.	.001
		N	139	139
	SRC	Correlation Coefficient	.890	1.000
		Sig. (2-tailed)	.001	.
		N	139	139

NOTE: PD= Price differentiation, SRC= Sales RC.

DISCUSSION OF RESULT

The SPSS correlation output above, with $r = 0.89$ indicate that there is a high frequency of agreement of the respondent on this opinion, among the responses of the 139respondents. This shows about 89% positive effect.

Also, $p - value(sig - value = 0.001) < \alpha = 0.05$, indicate that the correlation among the responses of the respondents is statistically significant at alpha level $\alpha = 0.01$ and 0.05 under 2-tailed test respectively.

Based on the data before me, there is sufficient evidence to reject the null hypothesis and accept the alternative, since $p - value(sig - value = 0.001) < \alpha = 0.05$,. Therefore, we conclude that the Price differentiation affects sales of RC products in Ebonyi south senatorial Zone positively.

STATEMENT OF HYPOTHESIS 2

H_0 : Taste of RC product does not significantly influence the competitive strategy and sales of other soft drink product in Ebonyi south senatorial Zone.

H_1 : Taste of RC product significantly influenced the competitive strategy and sales of other soft drink product in Ebonyi south senatorial Zone.

Level of Significant: $\alpha = 0.05$

Test Statistic: Spearman Rank correlation Analysis was used to rate the frequency of agreement of the respondent on this opinion.

Rejection Rule: Reject H_0 if $P - value(Sig\ value) < \alpha = 0.05$, otherwise accept.

Statistical Software Output (SPSS)

Nonparametric Correlations

Correlations

	TRC	CS
Spearman's rho TRC	Correlation Coefficient	1.000
	Sig. (2-tailed)	.
	N	139
CS	Correlation Coefficient	.690
	Sig. (2-tailed)	.031
	N	139

NOTE: TRC=Taste of RC product, CS= competitive strategy and sales of other soft drink.

DISCUSSION OF RESULT

The SPSS correlation output above, with $r = 0.69$ indicate that there is a high frequency of agreement of the respondent on this opinion, among the responses of the 139 respondents. This shows about 69% degree of influence.

Also, $p - value(sig - value = 0.031) < \alpha = 0.05$, indicate that the correlation among the responses of the respondents is statistically significant at alpha level $\alpha = 0.05$ under 2-tailed test respectively.

Based on the data before me, there is sufficient evidence to reject the null hypothesis and accept the alternative, since $p - value(sig - value = 0.031) < \alpha = 0.05$,. Therefore, we conclude that taste of RC product significantly influenced the competitive strategy and sales of other soft drink product in Ebonyi South Senatorial Zone.

STATEMENT OF HYPOTHESIS 3

H_0 : sugar content of RC soft drink does not serve as a tool for product differentiation and directly affects its acceptability in the soft drink industry.

H_1 : sugar content of RC soft drink serves as a tool for product differentiation and directly affects its acceptability in the soft drink industry.

Level of Significant: $\alpha = 0.05$

Test Statistic: Spearman Rank correlation Analysis was used to rate the frequency of agreement of the respondent on this opinion.

Rejection Rule: Reject H_0 if $P - \text{value}(\text{Sig value}) < \alpha = 0.05$, otherwise accept.

Statistical Software Output (SPSS)

Nonparametric Correlations

Correlations

			TRC	PD
Spearman's rho	SCRC	Correlation Coefficient	1.000	.490
		Sig. (2-tailed)	.	.061
		N	139	139
	PD	Correlation Coefficient	.490	1.000
		Sig. (2-tailed)	.061	.
		N	139	139

NOTE: SCRC = sugar content of RC product, CS= competitive strategy and sales of other soft drink.

DISCUSSION OF RESULT

The SPSS correlation output above, with $r = 0.49$ indicate that there is a high frequency of agreement of the respondent on this opinion, among the responses of the 139 respondents. This shows about 49% degree of effect, which is lower than the average effective limit.

Also, $p - \text{value}(\text{sig} - \text{value} = 0.061) > \alpha = 0.05$, indicate that the correlation among the responses of the respondents is statistically not significant at alpha level $\alpha = 0.05$ under 2-tailed test respectively.

Based on the data before me, there is sufficient evidence to reject the null hypothesis and accept the alternative, since $p - \text{value}(\text{sig} - \text{value} = 0.061) > \alpha = 0.05$. Therefore, we conclude that the sugar content of RC soft drink does not serve as a tool for product differentiation and directly affects its acceptability in the soft drink industry. This could mean that the sugar content of RC soft drink does serve as a tool for product differentiation though not significant and does not directly affect its acceptability in the soft drink industry.

STATEMENT OF HYPOTHESIS 4

H_0 : There is no significant difference in product differentiation between RC soft drink and other soft drink based on their packaging

H_1 : There is significant difference in product differentiation between RC soft drink and other soft drink based on their packaging

Level of Significant: $\alpha = 0.05$

Test Statistic: Mann-Whitney Test Analysis was used to rate the frequency of the difference in agreement of the respondent on an opinion.

Rejection Rule: Reject H_0 if $P - value(Sigvalue) < \alpha = 0.05$, otherwise accept.

Statistical software output

Test Statistics^b

	Data
Mann-Whitney U	52.000
Wilcoxon W	130.000
Z	1.417
Asymp. Sig. (2-tailed)	.157
Exact Sig. [2*(1-tailed Sig.)]	.168 ^a

a. Not corrected for ties.

b. Grouping Variable: code

DISCUSSION OF RESULT

Based on the data before me, there is no sufficient evidence to reject the null hypothesis since $P - value = 0.157 > \alpha = 0.05$. Therefore, we conclude that there is no significant difference in product differentiation between RC soft drink and other soft drink based on their packaging. This could imply that product differentiation between RC soft drink and other soft drink based on their packaging exist, but that the difference is not significant.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSION AND RECOMMENDATIONS

5.1 SUMMARY OF FINDINGS

In today's world there are a lot of soft drink firms producing soft drinks of same purpose and use. It is now impossible to count number of soft drinks Sam existing in the world, talk of counting the number of brands available in various styles, taste and colors.

The same thing applies to Nigerian soft drinks packets. In Nigeria today, we have more soft drink firms of various flavor and colors. The recognition of a soft drink competition led to the acceptance of product differentiation. The purpose of this project is to determine the set of product differentiation on the sales level of the company common profitability and the market share of the company as well as the problems involved in product differentiation.

To gain insights into the topic, various journals and write up from various authors all over the world. However, to gain primary knowledge about the topic, questionnaire was developed and administered on the customers and consumers of RC Soft drinks. The hypothesis tested by the researcher are:

- H₀ : - Price differentiation does not affect sales of RC products in Ebonyi South Senatorial zone
- H₁:- price differentiation affects sales of RC product in Ebonyi South Senatorial Zone
- H₀ : - Taste of RC soft drink product does not significantly influences the competitive strategy and sales of other soft drink products in Ebonyi South Senatorial zone.
- H₁ : - Taste of RC soft drink product significantly influences the competitive strategy and sales of others soft drink products in Ebonyi South Senatorial Zone.
- H₀ : - Sugar content of RC soft drink does not serve as a tool for product differentiation and directly affects its acceptability in the soft drink industry.

- H₁ : - Sugar content of RC soft drink serves as a tool for product differentiation and directly affects its acceptability in the soft drink industry.
- H₀ : - There is no significant difference in product differentiation between RC soft drink and other soft drinks based on their packaging.

- H₁:- There is a significant difference in product differentiation between RC soft drink and other soft drinks based on their packaging

- H₀ : - There is no significant relationship between the availability of a product and its contribution to product differentiation in the soft drink industry.

- H₂:- There is a significant relationship between the availability of a product and its contribution to product differentiation in the soft drink industry.

These hypotheses were tested at 0.05 level of significance and were accepted. The use of product differentiation is not only to fight back competition but to move along with the change needs of the consumers.

5.2 CONCLUSION

The competitiveness of a firm is determined by its ability to make better profits, increase its market share, increase its sales etc. It highlights the effectiveness of limitations of the product differentiation strategy of RC company products in Ebony south senatorial zone and on the responses of the consumers or customers of RC soft drink. It is suffice to make the conclusion that product differentiation is an uncompetitive tool in the marketing of soft drinks.

The prospects of product differentiation are the following profits increasing, increasing sales, increase in market share, improve companies image and goodwill etc.

5.3 Recommendations

Having understood the prospects and problems in using product differentiation as a competitive tool it was found necessary to make the following recommendations based on the findings in the research work.

The recommendations are not only for RC company alone, but for the whole soft drink firms

1. The soft drinks firms should differentiate their products in order to make greater sales which in turn leads to greater profits, large market share and ability to fight competition
2. Soft drink firms should not consider the high cost of differentiating a product but the benefits end at result
3. The soft drinks should spend more money, time on marketing information so as to monitor the changes in market trend and make use of opportunities

5.4 Limitations Of This Study

A lot of constraints were encountered in an attempt to gather the necessary materials for the successful carrying out of the project. The following problems were encountered in the course of this research

Lack Of Material: While carrying out this research, works not being down on this particular subject nearly made it impossible to review past studies.

Economic Factor: Due to the attitude of the personnel who are supposed to give the necessary information for this study, made me spend more than necessary on transportation, then resort was made to Vesting whenever there is transportation fee

Financial Constraints: Financial constraints the inability to generate money made it impossible for me to carry out this research work effectively and efficiently

5.5 Suggestion For Further Studies

Here are some suggestions for further studies on the product differentiating strategy as a competitive tool in the sales of soft drinks focusing on RC products in Ebonyi state senatorial zone

Comparative Analysis

Conduct a comparative analysis of Aussie products with other soft drink brands available in the market. Evaluate how RC products differentiate themselves from competitors in terms of taste, quality, packaging, pricing and branding.

Consumer Perception and Preferences

Conduct a survey or focus groups to understand consumer perception and preferences regarding RC products in comparison to other soft drink brands. Analyze the reasons behind consumer choosing and receive products over competitors

Branding and Marketing Strategies

Investigate the branding and marketing strategies used by abrasive products in the region. Assess the effectiveness of these strategies in differentiating and receive products from competitors and attracting customers

Pricing Strategy

Analyze the pricing strategy of erosive products in comparison to competitors. Assess the role of pricing as a differentiation tools in attracting consumers in a price sensitive market

Distribution Channels

Examine the distribution channels used by RC products and its competitors in the region. Assess how the distribution strategy contributes to differentiation and market share

5.6 Contribution to Knowledge

Research on product differentiation strategies in the sales of such drinks in Ebonyi south senatorial zone can contribute valuable insights to both academia and industry. Examining factors such as unique flavor profiles, branding, packaging and marketing approaches can shed light on effective differentiation strategies. Additionally, understanding consumer preferences and behavior in the region can inform do you know strategies, ultimately enhancing the competitiveness of soft drink products in the market.

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