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*Article*

# Service Innovation And Marketing Performance Of Eatery Firms In Port Harcourt, Rivers State

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**Abstract:** The study delved into the correlation between service innovation and marketing performance within eateries in Port Harcourt. A descriptive survey design was employed, targeting 121 eateries registered with the Rivers State Ministry of Commerce and Industry as of May 2023. With a sample size of 90 respondents determined using Krejcie and Morgan's (1970) Table, 80 completed questionnaires were used for analysis after achieving an 89% response rate. Utilizing SPSS Version 2.2.0, Spearman Rank Order Correlation was employed to test the hypotheses. The results indicated a noteworthy relationship between service innovation dimensions and various marketing performance measures among eateries in Port Harcourt. The study concluded that the relationship between service innovation and marketing performance is noteworthy, suggesting that eateries in Port Harcourt integrate new service concepts and delivery methods to enhance customer retention and repeat purchases. Furthermore, the study recommends providing effective training to employees for managing new customer relationships.

**Keywords:** Service Innovation, Marketing Performance, New Service Concept, New Customer Experience, New Service Delivery, Customer Retention, Repeat Purchase

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## 1. Introduction

Service firms that are successful thrive on innovation. They can innovate by offering existing services in new ways, modifying their usual services, or creating entirely new service offerings (Miles, 2018). Additionally, by soliciting feedback from customers about how they perceive the service, identifying firms that are seen as providing the best service, and studying those firms, a company can consistently exceed service standards through its own process innovations (Riddle, 2018).

Service innovation encompasses introducing new services or making incremental improvements to existing ones. It is a key strategy for creating a sustained competitive advantage (Sundbo, 2019). The service sector has experienced significant growth due to globalization, demographic changes, and technological advancements, making service innovation a popular topic among forward-thinking firms (IM & IBM, 2018). Recognized as critical for overall business success, service innovation helps firms maintain a competitive edge. In the eatery sector, service innovation is particularly important for achieving competitive advantage. The challenges of globalization, liberalization, technological progress, and evolving customer expectations underscore the need for innovative services (Moreno, 2015). Service innovation is a vital driver of company growth (Agarwal, 2013).

Performance can be viewed as either the end result or the actions taken to achieve those results. Marketing scholars have critiqued the marketing performance literature for its limited analytical power (Pont & Shaw, 2003). Facing crowded and highly competitive markets, many service providers have shifted their marketing strategies from attracting new customers to retaining existing ones. For eatery owners, understanding the decision-making criteria customers use when selecting a restaurant is crucial for influencing their choices (Shoemaker et al., 1999). Customers seek various benefits to satisfy their needs, and retaining clients and repeat purchases are key components of any customer strategy. Increasing these factors has become a major focus for managers, consultants, and academic scholars (Kotler, 2011). The importance of this issue lies in its ability to drive high sales of goods and services. Organizations that successfully achieve retaining clients and repeat purchases gain a significant competitive advantage, enhancing their marketing performance (Aksu, 2006). Understanding the factors that influence customers' decisions to return for another meal is essential for restaurants. By recognizing these elements, eateries can satisfy customer expectations and prevent them from choosing competitors, leading to increased profits. Many studies have examined the factors impacting marketing performance in the restaurant industry (Soriano, 2012). Beyond focusing on repeat purchases and retaining clients, companies should also prioritize customer loyalty. A deep commitment to meeting customer needs, along with a sense of duty, is crucial for achieving substantial profits and high marketing performance (Hill & Aleksander, 2015). In the current competitive and ever-changing market environment, businesses have realized that they no longer operate within an endlessly expanding economy. As a result, the value of each customer has increased. Monitoring marketing performance, which is indicative of retaining clients and repeat purchases, is vital for restaurants (Soriano, 2002). Thus, this study aims to explore the relationship between service innovation and marketing performance in eateries in Port Harcourt.

Businesses usually set clear objectives, but these varied goals often fail to align the interests of business owners and stakeholders, including the Board of Directors, Managers, and Chairpersons. The negative impact of outdated and stagnant corporate strategies is significant. Declining, long-established product brands reflect poor performance and potential within an organization. Service innovation is a powerful tool that can revitalize and strengthen a company (Zomerdijk & de Vries, 2007). Unfortunately, eateries in Port Harcourt face challenges in competing with their foreign counterparts. Local companies often struggle with quality and marketing capabilities compared to international competitors, resulting in a decline in performance for local eateries while multinational companies thrive. This study aims to investigate the relationship between service innovation and marketing performance in eatery firms in Port Harcourt, Rivers State.

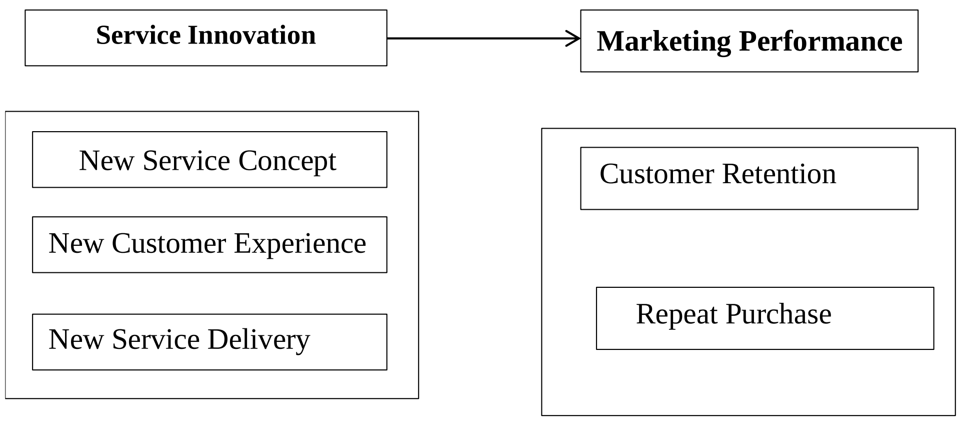

**Figure 1:** Conceptual framework of the Relationship between Service innovation and Marketing performance

**Source**: Desk Research, 2024

**CONCEPT OF SERVICE INNOVATION**

Being innovative is essential to a company's strategy since it helps create new products, services, and processes—not just improves already-existing ones. This strategy aims to increase the organizational share of the market and gain a foothold in the hearts of consumers. Accordingly, Slater and Narver (1995) saw service innovation as a worthwhile endeavor. It involves changing or improving processes to convey and keep up with these services, modifying existing services or launching new ones, and fully attending to client needs in order to influence them to form a favorable opinion of the value of the service (Mahmoud, Overby, and Kimi, 2017). Service innovation, according to Kandampully and Duddy (1999), gives service providers a competitive advantage by enabling them to satisfy both current and future client needs, which in turn raises the clients' perceived value of the services. Service innovation also alters the client's situation, as Rust and Kannan (2003) confirmed that firm innovation expects to increase client experience, upgrading fulfillment and ultimately prompting higher profits.

Service Innovation (SI) has been defined differently by different analysts. Rogers (2003) defined advancement as any novel idea, activity, or curiosity that a person or material considered clever. Du Plessis (2007) defined it as the creation of new knowledge and ideas to appear in business. Service Innovation refers to a new service or product offering and is not always limited to changes in the features of the service or product itself (Herbig, 2000). Kindstrom and Kowallows (2014) emphasized that incorporating assets and capacities is the embodiment of Service Innovation. Service Innovation is also defined as adding new services or altering the delivery process (Menor and Roth, 2007). Academic experts define innovation as the productive enhancement of new products or services, encompassing creative and improved activities (Weng, Fitzsimmons, Heineke, and Davis, 2012). Accordingly, developing new services can be understood as an exchange that combines distinct exercises aimed at creating or improving services, focusing on customer needs and the delivery cycle (Edgett, 2014). Service innovation enables businesses to transform shifts into incredible opportunities, crucial for establishing values through improved products, processes, or service plans for their partners (Yeh, 2019; Ostrom, Bitner, Brown and Rabionovich, 2010).

Jha & Krishnan, (2013) subscribed that in the view of many researcher, innovativeness is perceived to be “happy accident” . Customer happiness is often an indicator of satisfaction of clients, a crucial service element for any business. The primary goal of innovation is to create a competitive advantage and enhance the organization’s expertise, thus achieving satisfaction of clients (Leonard-Barton, 1992). To satisfy customers, innovation must consider the experiences customers have during interactions with service personnel (Igwe & Asiegbu, 2015). When a firm produces an innovative product, satisfaction of clients typically increases, leading to greater customer loyalty. Innovativeness aims to enhance the customer experience and satisfaction, ultimately resulting in higher profits (Rust & Kannan, 2013). Shane (2014) demonstrated that when an innovative feature is introduced, customers explore its value, thereby building satisfaction. The degree of newness directly affects satisfaction of clients (Rahman et al., 2014). Satisfied customers are likely to request more products. Satisfaction is key to retaining clients, and being innovative in service offerings is essential for creating loyal customers (Igwe & Asiegbu, 2015). Customer perceptions of innovation significantly influence their level of satisfaction or dissatisfaction (Goode, 2005).

**New Service Concept**

In strategic activities like service design, development, and innovation, defining a service concept—or even just a service idea—is essential (Stuart & Tax, 1997). Determining the nature of a service becomes essential and more complicated as they become more experiential and intangible (Bitran & Pedrosa, 1998).

Several significant characteristics are seen in the definitions of services that are now in use. Many definitions place a strong emphasis on the concept of value, which helps service providers assess the value that customers get from them as well as the value that customers should expect from the business. Even though value is frequently associated with monetary worth, Ziethaml and Bitner (1996) define value as a customer's unique perception based on a range of product/service attributes, such as perceived quality, perceived costs (monetary or otherwise), and other high-level abstractions like prestige, accessibility, and performance. The service package, which Collier (1994) refers to as the "Customer Benefit Package," is another common way to define the concept of service. Marketing theorists like Lovelock and Wright (1999) have used various P-models to identify sub-components of the service package, which consist of elements of the service product (product, process, place, physical evidence, people, productivity) along with additional marketing components like price and promotion. Goldstein, Johnston, Duffy, and Rao (2002) define it as a combination of physical and non-physical elements that collectively form the service.

It is commonly stated that launching a new service is an essential tactic for carrying out business strategies successfully and attaining high client satisfaction, retention, and total profitability (Roth & Menor, 2003). Crucially, a new service concept is defined by each of its constituent parts; it is a combination of tangible and intangible characteristics. According to the degree of personalization of these components, the service concept is most frequently categorized (Goldstein, Johnston, Duffy & Rao, 2002; Karwan & Markland, 2006; Zomerdijk & de Vries, 2007).

**New Customers Experience**

Customer experience, as defined by Chuang et al. (2012), is the relationship between individuals working together to achieve a shared goal, highlighting the importance of their communication and emotional responses. Antoine-Solom (2016) notes that customer experience is increasingly significant in businesses, being both complex and varied, and requiring continually updated strategies. It encompasses the interactions between customers and employees, which are vital for effective business operations; without these interactions, a business struggles to succeed. While some customers may be challenging to handle, these interactions are crucial for building loyalty.

Businesses who go beyond what was required to gain the trust of their clients will see higher rates of customer loyalty. Sustaining solid customer relationships is crucial for remaining ahead in today's competitive industry (Garbarino & Johnson, 1999; Singh & Sirdeshmukh, 2000; Eucharia & Sylva, 2016).

**New Service Delivery**

In order to successfully execute business strategies and achieve high levels of client satisfaction, retention, and overall profitability, service businesses must be able to design and configure their new technological service delivery systems with efficiency. These systems are critical to delivering the service concept and its value proposition to the intended customers. In service design discussions, the concept of "alignment" is important because it emphasizes the necessity of synchronizing the target market, service concept, and service delivery system. (Frei & Harker, 1999; Johnston & Clark, 2005; Verma, 2002).

Innovation in service delivery refers to developments that enable companies to provide services in ways that clients are unable to perform on their own, combining different components that improve the efficacy of the service (Roth & Menor, 2003). A new technical service delivery system's design must take into account a number of variables, such as the delivery procedures and facilities (Ramaswamy, 1996). According to Tax and Stuart (1997), in order for a new system to be designed effectively, people, procedures, and physical components—all of which are aspects of the service system—must be taken into account simultaneously. According to Roth and Menor (2003), structural (like buildings and equipment), infrastructural (like job design and policies), and integration (connected to coordination) options are all part of the design considerations for the new system.

## CONCEPT OF MARKETING PERFORMANCE

Business success depends on marketing effectiveness, and management scholars and professionals in the field are keen to learn more about this idea (Eusebio et al., 2006; Nwokah & Maclayton, 2006). Marketing performance is greatly impacted by elements like concentrating on competitors and clients. Companies are encouraged to develop in order to meet consumer expectations by this dual emphasis (Nwokah, 2009). A methodology for evaluating marketing success was presented by Morgan (2002), who pointed out a disconnect between theoretical models and real-world corporate situations. Marketing performance is evaluated by comparing the marketing team's goals with actual results, using metrics like return on investment, cost per sale, cost per lead, conversion rate, and customer lifetime value (Opara, 2015). These metrics help measure how effectively marketing activities achieve objectives such as revenue growth, customer engagement, brand awareness, and market share (Barango-Tariah, Opara, & Hamilton-Ibama, 2023).

Morgan (2002) argued that effective marketing performance is a flexible process shaped by a firm's marketing strategy, corporate environment, and task conditions. Similarly, Lamberti and Noci (2010) observed that marketing performance measurement has evolved from focusing primarily on financial metrics to incorporating non-financial measures, with satisfaction of clients and loyalty becoming crucial indicators (Clark & Ambler, 2001). Ultimately, achieving effective marketing performance requires aligning marketing strategies with broader business goals.

Marketing performance is intrinsically complex, and different businesses may have different definitions of what constitutes exceptional success (Vorhies & Morgan, 2009). Ramaswami, Dubelaar, and Bhargava (2008). Performance effectiveness and efficiency may not always coincide, and in the short run, they may even be negatively correlated. Furthermore, Walker & Ruekert (2007) note that when deciding how to allocate resources and create marketing goals, businesses usually have to strike a balance between effectiveness and efficiency. Marketing, according to Ambler and Robert (2008), is the culmination of a company's activities with the goal of raising the value of shareholders. As a result, the company's overall marketing performance and accomplishments are what define success rather than the output of individual departments or targeted marketing initiatives. Three criteria are essential for assessing marketing performance: brand equity adjustments, external standards, and internal benchmarks (Ambler, 2001; Mills, 2010). According to Homburg (2007), marketing performance is the efficacy and efficiency of a company's marketing initiatives with respect to goals that are specific to the market, like revenue, market share, and growth. Performance metrics are generally employed to gauge the expansion and advancement of a company's operations. In this study, measures like client acquisition and retention rates will be used to assess the performance of the company.

### Customer Retention

The tactics a company employs to lower client turnover are collectively referred to as customer retention. It begins with the first exchange with a client and lasts the duration of the partnership. A company's capacity to draw in and retain new clients depends not only on the quality of its goods and services but also on how well it takes care of its existing clientele and establishes a positive image in the community (Reicheld, 1996). It takes more than just satisfying consumer expectations to successfully retain them; in order to turn them into devoted brand ambassadors, expectations must be exceeded. According to Fleming and Asplundh's (2009) research, revenue from engaged customers is generated at a rate 1.7 times higher than that of normal customers. Moreover, revenue can increase by 3.4 times more when customers and staff are both involved. Retaining customers entails preventing them from doing business with rival companies (Hamilton-Ibama & Ihunwo, 2022). It entails preserving a loyal customer base by cultivating goodwill among individuals who purchase the company's goods (Kotler, 2008). Marketing for customer retention is a focused strategy built on knowledge of consumer behavior. Oliver (1997) asserts that keeping customers comes down to a steadfast dedication to continuously repurchase or support a preferred good or service in the face of outside pressure or deceptive advertising. In addition to a company's products or services, maintaining and acquiring new clients depends on how well it handles existing clientele and its standing in the industry as a whole (Hamilton-Ibama & Ogonu, 2024).

Customer retention is defined by Kassim and Souiden (2007) and Ranaweera and Prabhu (2003) as the probability that a customer will continue to have a relationship with a service provider in the long run. According to Motiwala (2008), it's the process of maintaining the current clientele by building trusting bonds with each and every one of the company's product buyers. According to Keller (2000), maintaining customers is the collection of tactics and initiatives businesses use to lower customer attrition. It displays an organization's capacity to retain clients for a given amount of time. High customer retention rates indicate that users are likely to stick around, make more purchases, stay away from competitors, or stop using the service entirely. Retention strategies must take into account the fact that keeping customers continues beyond the initial engagement and requires attention over the course of the customer lifetime, as noted by Gupta and Zeithaml (2006). Retention strategies are crucial in businesses where pricing and product values are subject to fluctuations. While providing excellent customer service alone might not be enough to keep customers from leaving, other tactics like keeping prices steady, basing pricing on the relationship's overall profitability, and cross-selling more items help lessen hiccups and promote long-lasting collaborations between companies. Gupta and Zeithaml (2006) further stated that the number of customers kept is compared to the number at the start of the period in order to determine how well clients are being retained. The goal of customer retention is to target present customers with marketing initiatives (Hoffman et al., 2005). This strategy emphasizes how crucial it is for companies to build and preserve solid client connections in order to guarantee recurring revenue in the future (Gerpott, Rams, & Schindler, 2001; Murphy, Burton, Gleaves, & Kitshoff, 2006). The benefits of client retention are many and include: lower acquisition costs, which lower sales and marketing expenses; consistent profits from existing customers' established spending patterns; increased revenue per customer as their spending tends to rise over time; lower operational costs since the cost of retaining customers is spread over a longer period of time; customer referrals; and the ability to charge higher prices because loyal customers are less likely to wait for discounts or promotions. These benefits highlight the value of client retention for organizations (Ang & Buttle, 2006). These benefits highlight how important client retention is to having a favorable financial impact on a firm (Chi & Qu, 2008; Fečiková, 2004).

In today's corporate world, keeping customers is not just a profitable and effective tactic, but also a need. The fact that 80% of sales frequently originate from just 20% of clients serves as evidence of this (Lake, 2008). Reducing customer churn is necessary for effective client retention; this effort should begin with the initial encounter and continue throughout the duration of the partnership. A business's capacity to draw in and keep clients is influenced by its reputation in the industry, the caliber of its customer support, and its goods and services (Reicheld, 1996). Creating devoted brand advocates is the ultimate goal of true client retention, which goes beyond simply satisfying expectations.

**Repeat Purchase**

According to Ogonu and Hamilton-Ibama (2023), the goal of repeat purchases is to persuade consumers to make repeated purchases of a certain item. Strong customer loyalty is especially beneficial for a business in hard times since satisfied customers are more likely to stick with the brand even when rivals sell comparable or superior goods for less money. According to Ateke and Harcourt (2017), a repeat buy occurs when a customer makes multiple purchases from a business subsequent to their initial transaction. Customers are more likely to make more purchases if they have a positive experience with the brand, as positive purchasing experiences increase the likelihood of repeat purchases (Chao-Min, 2010). Recurring purchases are a sign of brand loyalty, according to Nwiepe and Ateke (2016), with greater rates indicating a happy and long-term client. Companies should offer extra value through services and react promptly to product feedback in order to promote recurring business. The willingness of consumers to repurchase the same product is known as repeat purchase (Hamilton-Ibama & Damian-Okoro, 2024). Since customer preference for a brand within a product category drives commercial success, it is an essential objective for firms. According to Nwulu and Asiegbu (2015), consumers who find emotional, intellectual, and physical fulfillment in a brand's offers are the ones that choose it again and over again. Customer happiness drives repeat business, which is essential for long-term business sustainability and profitability. It also acts as a barometer for an organization's sustainability and client retention.

According to earlier studies by Wirtz and Lwin (2009), repeat buy refers to a customer's propensity to make more purchases from a service provider after a satisfying first encounter that fosters loyalty and trust. Caudill and Murphy (2000) provided more support for this viewpoint, stating that clients frequently come back to a business because they have faith in the organization's dedication to meeting their demands. When a company meets or beyond client expectations, it becomes preferred by consumers and encourages recurring business (Hamilton-Ibama, 2024). Customers who are emotionally, intellectually, and physically satisfied with a company's product or service are likely to make repeat purchases. Marketing researchers utilize repeat purchase as a standard metric for measuring brand retention and evaluating business performance (Hamilton-Ibama & Ogonu, 2022). According to Hamilton-Ibama and Ogonu (2022), repeat buy refers to a customer's continuous support of a brand after making a previous purchase.

**RELATIONSHIP BETWEEN SERVICE INNOVATION AND MARKETING PERFORMANCE**

A new trend in the study of service innovations in SMEs was observed by Abor and Quartey (2010), who emphasized the significance of creating creative networks and systems. They suggested that SMEs ought to participate in innovative ecosystems if they are looking for innovation. According to Wang and Wang (2012), gaining a competitive edge and improving performance are what motivate companies to pursue innovation. Many perspectives have been used to investigate the relationship between innovation and firm success (Gunday et al., 2011; Camisón & Villar-López, 2014). Numerous academics have noted that creative businesses frequently see gains in market value and profitability (Jiménez-Jiménez & Sanz-Valle, 2011). Moreover, an organization's total performance may be improved by service innovation if it has an impact on the caliber, scope, and diversity of its offerings (Purcarea et al., 2013).

**New Service Concept and Marketing Performance**

According to Mathyssens (2006) and Vargo & Lusch (2008), services generate value by leveraging the competences of the client and the business, resulting in resources that are distinct and challenging to duplicate. Camisón and Villar-López (2014) found a positive correlation between the number of new product releases and a company's performance. Similarly, Noruzy et al. (2013) discovered that participation in creative endeavors improves performance as a whole. According to Jiménez-Jiménez and Sanz-

Valle (2011), service companies that put an emphasis on innovation are probably going to do well. Moreover, an abundance of research conducted in diverse fields has indicated that innovation is a prerequisite for attaining a competitive advantage and securing enduring prosperity (Polder et al., 2010; Gunday et al., 2011). Homburg, Artz, and Wieseke's (2012) research found that innovative manufacturing organizations frequently demonstrate great creative talents due to their creative thinking in management, which is essential for innovation. Because they generate knowledge that is tailored to the demands of their clients, manufacturing companies ought to be acknowledged as important sources of innovation.

**New Customer Experience and Marketing Performance**

The internal and individual reactions that customers have to their direct and indirect interactions with a business are all included in the customer experience. Consumers are acknowledged as being essential to the innovation process in manufacturing industries where clients frequently exhibit inventiveness. By establishing standards for new product improvements, they can have a significant impact on service innovations (Chandler & Wieland, 2010). It is advised to include frontline employees in the service innovation process since they regularly interact with clients. Homburg, Artz, and Wieseke (2012) found that service quality has a favorable impact on marketing performance and that service innovation effects marketing performance both directly and indirectly. Because of this, businesses that prioritize providing high-quality services need to realize that in order to leverage the values that spur innovation, they must embrace new work practices in a dynamic workplace.

**New Service Delivery and Marketing Performance**

Due of its obvious correlations with expenses, profitability, client happiness, client retention, and positive word of mouth, service delivery has gained significant attention as a research issue (Bolton & Drew, 1991; Reichheld & Sasser, 1990). Assuring top-notch service is essential to the success of modern service businesses. Because customer happiness and service quality are closely related, service quality is a primary subject of service marketing research and a crucial marketing strategy (Bolton, Kannan & Bramlet, 2000). In Greece's banking industry, Veloutsou et al. (2004) found a favorable correlation between customer loyalty, client happiness, and service quality. According to Kumar et al. (2009), better service quality increases customer happiness and loyalty. According to Heskett et al. (1997), client pleasure is a major factor in fostering consumer loyalty, which in turn fosters profit and growth. Studies conducted in 1988 by Parasuraman et al. and 2009 by Naeem and Saif verified that customer pleasure stems from high-quality service. Caruana (2000) created a model that shows how customer pleasure affects service loyalty. She then applied this model to Malta's retail banks, highlighting the connections between loyalty, client contentment, and service quality.

In order to maintain competitiveness, companies need to foster innovation by motivating staff members to provide fresh concepts. It is essential to accept new technology and integrate resources to foster a culture that is open to new ideas. When developing new services, researchers emphasize the need of incorporating customers and front-line employees in cross-functional teams and effective communication (Dedeoğlu & Demirer, 2015). Businesses should concentrate on fostering a creative culture and acquiring new competencies to improve service quality, which will benefit both current and potential clients.

## 2. Materials and Methods

The survey design used in the study was descriptive in nature. As of May 2023, 121 restaurant businesses in Port Harcourt that were registered with the Rivers State Ministry of Commerce and Industry made up the study's population. From these companies, a sample size of ninety respondents was chosen, according the Krejcie and Morgan (1970)

Table. All ninety respondents received surveys; of these, eighty completed questionnaires (or 89%) were returned and examined. With the use of the Statistical Package for Social Science (SPSS) Version 22.0, hypotheses were assessed using the Spearman Rank Order Correlation method.

## 3. Results

**Table 1: Correlation of new service concept on measures of marketing performance of eatery**

| | | | New Service Concept | Customer Retention | Repeat Purchase |
|---|---|---|---|---|---|
| Pearson Correlation | New Service Concept | Pearson Correlation | 1.000 | .655** | .900** |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 80 | 80 | 80 |
| | Customer Retention | Pearson Correlation | .900** | 1.000 | .891** |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 80 | 80 | 80 |
| | Repeat Purchase | Pearson Correlation | .655** | .891** | 1.000 |
| | | Sig. (2-tailed) | .000 | .000 | . |
| | | N | 80 | 80 | 80 |
| | | N | 80 | 80 | 80 |

*Source: Research Data 2024, (SPSS output version 22.0)*

**H01: There is no relationship between new service concept and customer retention of eatery in Port Harcourt.**

**H02: There is no relationship between new service concept and repeat purchase of eatery in Port Harcourt.**

The results of Table 1 above for hypotheses 1 and 2 show a strong positive association between the introduction of a new service concept and customer retention as well as repeat business at Port Harcourt restaurants, with correlation coefficients of 0.655** and 0.900**. This indicates that, statistically, in Port Harcourt restaurants, a strong relationship exists between new service concepts and marketing performance measures when customer retention and repeat purchase are used. At the 0.05 level of significance, the null hypotheses are rejected, and the alternative hypotheses are accepted.

**Table 2: Correlation of new customer experience on measures of marketing performance of eatery**

**New Customer Experience Customer Retention Repeat Purchase**

| | | | | | |
|---|---|---|---|---|---|
| | New Customer Experience | Pearson Correlation | 1.000 | .563** | .426** |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 80 | 80 | 80 |
| Pearson Correlation | Customer | Pearson Correlation | .863** | 1.000 | .891** |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 80 | 80 | 80 |
| | Repeat Purchase | Pearson Correlation | .826** | .891** | 1.000 |
| | | Sig. (2-tailed) | .000 | .000 | .000 |

***Source: Research Data 2024, (SPSS output version 22.0)***

**H03: There is no relationship between new customer experience and customer retention of eatery in Port Harcourt.**

**H04: There is no relationship between new customer experience and repeat purchase of eatery in Port Harcourt.**

The results of Table 2 above for hypotheses 3 and 4 show a strong positive association between the implementation of a new customer experience and performance measurements, with correlation coefficients of 0.563** and 0.426**, respectively. This indicates that, statistically, there is a strong relationship between new customer experience and marketing performance measures in terms of customer retention and repeat purchase in Port Harcourt restaurants (p 0.000<0.05 level of significance under the normal distribution curve) and the alternative hypotheses are accepted.

**Table 3: Correlation of new service delivery on measures of marketing performance of eatery**

| | | | New Service Delivery | Customer Retention | Repeat Purchase |
|---|---|---|---|---|---|
| Pearson Correlation | New Service Delivery | Pearson Correlation | 1.000 | .430** | .580** |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 80 | 80 | 80 |
| | Customer Retention | Pearson Correlation | .880** | 1.000 | .891** |
| | | Sig. (2-tailed) | .000 | . | .000 |
| | | N | 80 | 80 | 80 |
| | Repeat Purchase | Pearson Correlation | .680** | .891** | 1.000 |
| | | Sig. (2-tailed) | .000 | .000 | .000 |
| | | N | 80 | 80 | 80 |

**Source: Research Data 2024, (SPSS output version 22.0)**

**Ho5: There is no relationship between new service delivery and customer retention of eatery in Port Harcourt.**

**Ho6: There is no much relationship between new service delivery and repeat purchase of eatery in Port Harcourt.**

The results of Table 3 above for hypothesis 5 and 6 show a strong positive correlation between performance metrics and the introduction of a new service delivery model in Port Harcourt, with correlation coefficients of 0.430** and 0.580**, respectively. This indicates that, statistically, there is a strong relationship between new service delivery and marketing performance measures in terms of customer retention and repeat purchase in Port Harcourt restaurants ($p$ 0.000<0.05 level of significance under the normal distribution curve) and the alternative hypotheses are accepted.

## 4. Discussion

**Relationship between New Service Concept and Marketing Performance**

With correlation values of 0.655 and 0.900, the study found a strong relationship between the introduction of novel service concepts and the marketing success of restaurants in Port Harcourt. This result validates the view of Vargo and Lusch (2008) that innovative service concepts generate value by leveraging the competences of the client and the business, resulting in unique and difficult-to-replicate resources. Similar to this, Davies (2007) pointed out that compared to manufacturing, services typically offer more stable revenue streams, higher profit margins, and lower capital requirements. While historically goods-focused organizations can benefit greatly from service growth initiatives, managers often face challenges while transitioning to new services. Although service-oriented industrial manufacturers bring in more money than their traditional competitors, Ulaga and Loveland (2014) noted that their profitability are usually lower. However, Fischer (2012) suggests that combining services and products can be a tactic to offset declining product margins and diminished competitive differentiation brought about by technological advancements and innovation.

**Relationship between New Customer Experience and Marketing Performance:**

With values of 0.563 and 0.426, the study discovered a substantial correlation between new customer experiences and marketing performance in Port Harcourt restaurants. This is in line with Sirapracha and Tocquer's (2012) theory that customer experience is shaped by interactions with the company, its employees, self-service technologies, and the setting in which these services are provided. It combines sensory data to reflect the overall image that consumers get from their interactions with brands, services, and goods. Customer experiences are impacted by both cognitive and emotional perceptions from different phases of the service delivery process, according to Haeckel et al. (2003).

**Relationship between New Service Delivery and Marketing Performance:**

With correlation values of 0.430 and 0.580, the study discovered a substantial relationship between new service delivery and marketing performance in Port Harcourt restaurants. This supports Lymperopoulos's (2006) claim that delivering top-notch service is necessary for both success and survival in a cutthroat industry. These results, which are consistent with those of Tariq and Moussaoui (2009), showed that customer pleasure and service quality are both highly significant predictors of customer loyalty. These are comparable to what Veloutsou found in the Greek banking industry in 2014 when he attested to the existence of a non-negative relationship between customer loyalty, quality of service, and satisfaction. Additionally, Kumar (2009) revealed that customer happiness and loyalty rose in direct proportion to the level of service quality provided. Customer satisfaction was shown in 2009 (Naeem & Saif, citing Heskett et al.) as a direct result of high-quality direct service. These findings were consistent with the Caruana (2000) model, which demonstrated the relationship between service quality, client satisfaction, and loyalty by matching client satisfaction with service quality and validated in Malta's retail banks.

## 5. Conclusion

The study concluded that service innovation has a significant impact on marketing performance for eateries in Port Harcourt. It is recommended that these eateries adopt service innovation strategies to enhance retaining clients and encourage repeat purchases. Additionally, training staff on effective customer handling and relationship-building is advised.

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