

Product Research - changing customer preference and competition

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Abstract:

Product research is the development of a product line which meets the needs of certain groups of consumers. The essence of any firm's new product policy is the identification of those product opportunities which should be generated, over a given period, the greatest return on investment in relation to the risk involved. The meaning of term product is determined by the needs and desires of the consumer. Characteristics of products: 1 Goods and products in marketing, 2. Buyers buy the benefit; each brain is a separate product 3. Inclusive of all services accompanying the product. Objectives of product Research: 1. To secure consumer satisfaction. 2. To serve the society by maintaining high standards of quality of goods and services and reasonable prices. 3. To identify the changing customer preference and competition. 4. To identify the changing customer preference and competition. Steps to be taken in product research: 1. Develop overall product strategy based on market. 2. Develop a flow of new product ideas 3. Develop procedures to screen on a preliminary basis the product ideas generated. 4. Final screening 5. Develop product specifications 6. Product testing.7. Commercialization including supervision of the product through its life cycle. Commercialization: The following points are covered under the concept. (a) Product life cycle (b) Package testing (c) Promotion (d) Display: Advertising and communications must be directed towards stimulating favorable trade opinion and feeling about a company as well as favorable customer attitude towards product, quality, price, delivery sales and technical services. New product Research: while analyzing a new product the main points which need be taken into consideration-Marketing problem, estimate the staff requirement of new product, future planning and policy, necessary to make financial appraisal-payback, return on investment and discounted cash flow methods. Factors affecting the product is product planning, formulation of brand policy, packing policy of the firm, system of personal selling, Advertising policy of the firm, sales promotion for customers and dealers, system of physical distribution and marketing research. Failure of product is inadequate market analyses, poor quality performance, and lack of effective marketing effort, higher cost, and competitive strength, improper timing of introduction and technical and production problem. The firm should offer new and improved products to suit the changing market condition and changing customer preference.

Keywords: Product research, Goods and product, Consumer satisfaction, Product.

1. Introduction:

Product research relates to the analysis of the strengths and/or weaknesses of existing product, product testing, problems relating to diversification simplification, trading up and trading down (i.e., all product line decisions). Product research is the development of a product line which meets the needs of certain groups of consumers [1-3]. The essence of any firm's new product policy is the identification of those product opportunities which should be generated, over a given period, the greatest return on investment in relation to the risk involved. The term product in the modern marketing includes more than physical goods. The product may be intangible-services or an idea or an amalgamation or the entire tree. Therefore, for the modern marketer, the meaning of the term product is determined by the needs and desires of the consumer. Thus, product is a complex concept that has to be defined carefully. Authorities on modern marketing put forth excellent definitions.

2. Characteristics of products:

a) Goods and products: In marketing, the term goods is used as synonym for the product. This is in line both with the long-standing business usage and well-established academic practice. But the product is not mere goods. It is not confined to mere tangible goods. Even intangible goods like services, ideas, etc., are covered by the term product.

b) Buyers buy the Benefit: The key idea of the definition referred above is that consumers are buying more than a set of physical attributes. Fundamentally, they are buying want-satisfaction. Thus, a wise firm sells product benefits than just products [4].

c) Each Brand is a separate product: Any change introduced in its physical feature (design, color, size, packaging) however minor it may be, creates another product. In other words, if a minor change is made in the existing product, a new product is created.

d) Inclusive of all services accompanying the product: The product includes all services rendered by the marketer along with the sales.

3. Objectives of product Research:

- a) To secure consumer satisfaction.
- b) To serve the society by maintaining high standards of quality of goods and services and reasonable prices.
- c) To attain profitability in the marketing of goods and services.
- d) To identify the changing customer preference and competition

4. Steps to be taken in product Research:

4.1 Developing a Product Strategy:

Consumption systems are a useful concept in helping to develop a meaningful product strategy. Products are used with other products labor and machines and hence form a part of the system. Innovation through integration the system is a common measure. Products should fulfill these needs [5].

So, opportunities for new products should be exploited because of the changes in the environment.

The firm's product strategy must be set forth in writing. The strategy should be stated in terms of sales volume type and number of competitors, technical opportunity, patent opportunity, raw material, production load, and similarity to major business, effect on present products and so on.

4.2. Developing New Product ideas: The actual sources of product ideas are many and varied. The value of each will differ substantially from company to company. Suggestions and complaints from customers are a major source. The following are the potential sources of ideas.

- a) Company staff and company records, including research and development.
- b) Channels of distribution, especially with respect to product modification.
- c) Competitors in the market.
- d) Government Agencies.
- e) Miscellaneous including trade associations, advertising agencies, trade magazines, marketing research agencies, commercial laboratories, consultants and so on.

4.3 Preliminary Screening of Product Ideas: It is necessary to have a preliminary screening device which is fairly routine and economical. The first step is usually to determine whether the product idea meets the criteria stated in the company's strategy statements. If it does not it is eliminated. However, provision is usually made to set aside for further screening any ideas that seem particularly powerful.

4.4 Final Screening: Those products which survive the preliminary screening are ready for final check. This screening varies in its complexity depending on how obvious the decision is. A new idea may not go through the entire final screening process, if it is obvious that the product never produces the required return on investment.

4.5 Developing product specifications: The set of product attributes which are 'optimum' for the market segments, to which the product may appeal, must be determined. The 'optimum' must take into account the characteristics of the competitive products. Consumers describe what they want in terms of product benefits, functions and effects [6]. These must be translated into ingredients, design characteristics, performance criteria and even manufacturing procedures. Therefore, the relative importance of individual attributes will have to be determined.

4.6 Product Testing: In recent years, an increasing number of researchers have used testing as a way of determining whether potential customers have understood, the idea behind the product and

how they have evaluated the product's attributes. On the basis of update information, seller is now in a position to undertake research which provides his insight into whether he has been successful in developing the desired product.

4.7. *Test Marketing Or commercialization:* The test marketing is a procedure by which a company attempts to test a new product marketing plan by introducing it on a miniature basis before committing the product to the entire market [7]. The basic assumption is that the test market results are projected to the entire market. The nature and extent upon how certain the management is about its proposed marketing strategies.

Commercialization: The following points are covered under the concept:

- (a) **Product Life cycle:** Many products pass through a life cycle comprising an introductory period, a growth stage maturity and decline. Each of these stages requires a different set of strategies and tactics if the firm to cope successfully with the problems to the particular stage.
- (b) **Package Testing:** Technical experts can provide excellent data on the durability and the cost of alternative packages, but generally they cannot indicate what shape colors and symbols should be used. Packages have become increasingly important as a result of the increase in sell, service. Packaging materials, design, color, size, illustrations, brand names and associated symbols copy and lay-out may affect to a very considerable extent a potential buyer's perception of a product. Packaging has assumed such importance today that packaging research has become an indispensable part of product research.
- (c) **Promotion:** Advertising campaigns are mainly planned in quantitative terms how many people will be exposed to, e.g., what weight of advertising, during what period of time, etc. To this quantitative thinking is added a target audience defined in broad socio-economic categories. The most common measurements of effectiveness are based on recall, that is, recollection of advertisements. But a recall may be utterly unrelated to purchasing activity.
- (d) **Display:** Advertising and Communications must be directed towards stimulating favorable trade opinions and feelings about a company as well as favorable customer attitude towards product, quality, price, delivery sales and technical services [8-10]. Concepts derived from clinical research and the findings of sociologists, psychologists and anthropologists may be used to determine why people buy particular products or services and lead to advertising which appeals to needs, wants and desires so that potential buyers may rationalize the desire to buy.

The product research, decision itself is really a result of a collection of decisions. One of the tasks of marketing is to communicate with the potential buyer in such a way that not only does he become aware of the existence of the product or service offered, but develops such a sufficiently strong and favorable attitude that he will go through the buying decision processes with a greater degree of confidence.

IV. **New Product Research:** While analyzing a new product the main points which need be taken into consideration are: -

- (a) Marketing: The marketing problem includes a study of all the aspects of the relationship of the product with its market.
- (b) Product life: All product life has a definite life and it is important to have some idea about the life span of a new product.
- (c) Required inputs: The researcher should try to estimate the staff requirements for the new product. He may have to consider the sales and markets forecast for the purpose.
- (d) Future planning: It is necessary for the researchers to estimate the future effect the product will have on the company effect on the company's growth, compatibility with company's growth intentions, the effect on competitor's plans and policies.
- (e) Financial appraisal: It is necessary to make a financial appraisal while developing and launching a new product. There are three widely used methods-payback, return on investment and discounted cash flow. The payback method is merely to ascertain how quickly the gross investment can be recovered out of gross profits before charging tax and depreciation. Return on investment method is basically the return on gross investment represented by the profit before tax but after depreciation. The discounted cash flow resulting from the new product is calculated after allowing for tax and grants. This cash flow is discounted at an arbitrary rate of interest. In the net present value method, the net present value of the investment is computed.

5. Factors affecting the product:

The major factors affecting the product are as follows.

1. Product planning: To identify the consumer group and to satisfy their wants in a better way, it is necessary to plan the product efficiently. It includes the type, design, quality of the product, market segmentation, the volume, time and place of the sale, product research, etc.
2. Branding: Formulation of brand policies, deciding about the trademark and popularizing the brands are some of the vital aspects of brand decision.
3. Packing: The firm should also consider the packing policy of the firm after determining its objectives and economies.
4. Personal selling: If the firm is going to adopt the system of personal selling, it will also affect the marketing program.
5. Advertising: Advertising policy of the firm, its role in the program for sales promotion, formulation of advertisement copy, media of advertising, the cost of advertising, etc., are some of the important aspects of this variable.
6. Sales promotion: Management should chalk out the program for sales promotion for customers and dealers separately and manage the exhibition and displays, etc.
7. Physical Distribution: The system of physical distribution should also be decided by the marketing manager, and policies relating to warehousing, regional sales depots, transport media should be adjusted according to the marketing program of the business firm.
8. Market Research: The collection of reliable data relating to markets, their analysis and interpretation, etc., should also be considered while formulating the marketing mix.

6. Failure of product:

Introduction of a new product is the most risky job of a marketing firm. It is estimated that more than 95 percent of the new products have failed [11,12]. Failure is a relative term. Any product, which does not live up to the expectations of the consumers is bound to fail.

According to William J. Stanton, the factors responsible for the product failures can be grouped under seven heads. They are as follows-

1. Inadequate Market Analyses: Overestimating potential sales of the new product, inability to determine the buying motives and habits and misjudgments as to what products the market wanted come under this head.
2. Product Deficiencies: Poor quality and performance, products that are too complicated, and especially products that did not offer any significant advantage over competing items already in the market, etc., come under this category.
3. Lack of Effective Marketing Effort: Failure to provide sufficient follow up measures, failure to train marketing personnel for new products and new markets, etc.
4. Higher Cost than Anticipated: This led to higher prices, which in turn led to lower sales volume than anticipated.
5. Competitive Strength or Action: The competitors may copy a genuine innovation with speed and ease and the market shall also become overcrowded.
6. Improper Timing of Introduction: The product should be introduced in appropriate time. Too late entry or premature market entry shall always lead to failure of the product.
7. Technical or production problems: In these initial stages, the company is not in a position to produce sufficient quantities to meet the market demand. The competitors, in such case shall gain an unanticipated share of the market. This will in turn lead to poor sales, which in turn will result in product failure.

7. Conclusion:

A business firm meets its social responsibility through its product. Unless the firm fulfills this mission, it has no social and economic justification to exist. In fact, the competitive conditions will not permit such firm to exist at least not for long. As such a company cannot sell poor products over the long run. Therefore, a good and quality product is essential to get repeat sales, which is basic for the permanent existence of the business? The firm should offer new and improved products to suit the changing market conditions.

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