

St. Mary's University College
Faculty of Business
Department of Marketing Management

Assessing the New Product Development Practice of
Family Milk

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SMUC
Addis Ababa

**ASSESSING THE NEW PRODUCT DEVELOPMENT PRACTICE OF
FAMILY MILK**

**A SINIOR ESSAY SUBMITTED TO THE DEPARTMENT OF
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CHAPTER ONE

1. Introduction

1.1. Background of the Study

New product development is a major component of the firm's product policy. It is not enough if existing product lines are appraised properly, products are positioned effectively and brand decisions taken wisely. For higher level of growth firm has to look beyond its existing products.

(Ramanswamy, 2002:334)

In an age of scientific and technological advancements, change is everywhere phenomenon. Change in food habits, change in comforts and conveniences of life, change in social customs and habits, change in expectations and requirements. Any business has to be alert about these changes taken place in its environments. People always seek better things-better product and services, more conveniences in product, more fashion and more value for money. A business firm has to respond to these dynamic requirements and these responses take the shape of new products and new services. Through such responses, the firm updates itself and stays closer to consumer. (Ramaswamy, 2002:334)

M.B.P.L.C is a family owned business established in 2006 G.C. engaged in collecting, pasteurizing and processing milk and other milk products. M.B.P.L.C was founded by eight family members. It's initial capital of 18 million birr. The company is located at Nefas -Silk Lafto Sub-city, Kebele 15. After purchasing machineries and installation, it started production of pasteurized milk, different types of cheeses and butter. The company offers 13 product lines and uses a brand name called Family Milk.

(Based on a preliminary interview and observation).

New product can be broadly classified in to two groups. The first classification states that new product can be arising out of technological innovations. And the second classification states that new products

arising out of market –oriented modification. The first approach includes intrinsically new products having a new functional utility. And the second approach includes products that come out of market- oriented innovations on existing products. These are essentially new versions of existing products, the newness may be due to some modification in the ingredients used, or some changes in design, the addition of new feature, a change of package, etc. the newness may also be due to repositioning of the existing product, or finding new use for the existing product, or offering the existing product with new sales appeal to new market segment.

M.B.P.L.C (Family Milk) follows the second approach that is new product arising out of market-oriented modification.

1.2 Statement of the problem

According to (Kumar, 2001:79) product planning and development is an important function of the marketing department of any concern following consumer orientation. It includes a number of decisions, namely, what to manufacture or buy, how to have its packaging, how to fix its price and how to sell it.

To be the most preferable in the customer’s choice and to compete in the milk market, Family milk has been going through some difficulties. The first problem is the failure to follow the formal stages of new product development stages from idea generation to commercialization. And the second problem is the company fails to conduct marketing research regarding the taste, nutritional value(ingredients), odor, and packaging of its product in relation to customer needs and wants.(based on observation)

1.3. Research question

The student researcher addresses a particular study and this study deals with the following research questions:

- How far does the company conduct new product development process?
- What is the relationship between odor and customer preference?
- What has the company done to improve the product's (milk) taste?
- What is the challenge to develop new product to the company?

1.4. Objectives of the study

The general objective of the study is to assess the new product development activity of M.B.P.L.C (Family Milk). Beside the general objective, the study has the following specific objectives:

- A. To assess whether the company conducts the new product development process or not.
- B. To identify the relationship between odor and customer preference.
- C. To investigate whether any effort is made to develop the taste of the milk.
- D. To determine the challenge of developing new product.

1.5 significance of the study

The student researcher truly believes that the study will contribute a lot to M.B.P.L.C. /Family milk/ in accomplishing its objectives regarding new product development. Moreover, the research will help for other researchers who want to conduct further studies on similar areas. In addition to this, the research paper also serves as a partial fulfillment of the Bachelor of Arts for the student researcher.

1.6 Delimitation of the study

Family milk delivers its milk products and pasteurized milk to super markets, retail shops, governmental and non-governmental organizations found in Addis Ababa, Debrezeit, Mojo and Nazareth. This study delimited to Bole and Megenagna area supermarkets found in Addis

Ababa where customers, at large are concentrated. The research focused on customers, and the marketing manager of the case company.

1.7 Research Design and methodology

1.7.1. Research Method: This section states the research method to be used for the study. To achieve the research objectives the student researcher used a descriptive research method.

1.7.2. Population and sampling Frame.

Population: the student researcher included customers and marketing manager of the company as a population.

Sampling Frame: The student researcher took 200 respondents from the total customers, and 1 respondent from marketing department of the case company.

Sampling Technique.

The student researcher used non-probability sampling technique specifically convenient sampling technique as a result of undefined number of customers in the market.

1.7.3. Types of data to be collected

In this study primary& secondary data were used for the research.

1.7.4. Methods of Data Collection

The primary data was collected through interview from the marketing manager of the company and questionnaire mainly with customers. Secondary data was collected from relevant company documents, journals and books.

1.7.5. Methods of Data Analysis

In this study, both quantitative & qualitative data analysis techniques were used by the student researcher. Descriptive statistical techniques, measures of central tendency were used to analyze quantitative data.

1.8. Organization of the Study

The research paper includes the following chapters.

Chapter One: focuses on the background of the study, background of the organization, statement of the problem, objectives of the study, the scope of the study and significance of the study.

Chapter Two: discusses about the theoretical issues on the subject matter.

Chapter Three: the student researcher analyzes and interprets the data.

Chapter Four: this chapter includes summary, conclusion and recommendations of the researcher findings.

CHAPTER TWO

2. REVIEW OF RELATED LITERATURE

2.1. Meaning and Definition of Product

A product is anything that can be offered to a market for attention, acquisition, use, or consumption that might satisfy a want or need. Products include more than just tangible goods. Broadly defined, products include physical objects, services, events, persons, places, organizations, ideas, or mixes of these entities (Kotler, 2006:233).

According to Kumar, (2002:2) a product is something which is offered to customers to satisfy their needs or wants – physical and/or psychological. Thus, a product must be able to delivery physical as well as psychological satisfaction and its features, quality, style, brand (name and image), size, packaging, warranties etc. should be accordingly designed.

The product is almost always a combination of tangibles and intangible benefits.

The product is a bundle of satisfaction that customer buys. It provide a solution to a customers problems (Saxena 2006:234).

A new product is any product which is perceived by the customer as being new. This could involve repositioning of existing products or offering the existing products at low prices or making improvements. In the existing product, or adding new product items to the existing product line or for that matter, taking up a product line which is totally new to the organization or new to the world (Saxena (2006:272).

According to Grover (2003:162) strategic marketers must carry product development to cater to the changing needs of the customers. New product development is vital to the continual survival and growth of the

organization. The competence required is continuous tracking of customer needs and product development for those needs.

2.2. Product Classification

Products and services fall into two broad classes based on the types of consumers that use them – consumer products and industrial products.

Broadly defined, products also include other marketable entities such as experience, organizations, persons, places, and ideas (Kotler 2006:234).

2.2.1. Consumer Products

Consumer products are products and services bought by final consumer for personal consumption. Marketers usually classify these products as services for there based on how consumers go about buying them. Consumer products include convenience products, shopping products, specialty products and unsought products (Kotler 2006:234).

2.2.2.1. Convenience Products

According to Monga and Shalini (2003:240) convenience products are consumer products and services that customer usually buys frequently immediately, and with minimum of comparison as buying effort. Convenience products are usually low priced, ad marketers placed them in many locations to make them readily available when customers need them.

2.2.1.2. Shopping Products

Shopping products are less frequently purchased consumer products ad services. That customers compare carefully on suitability's quality price ad style. When buying shopping products and services, consumers spend much time ad effort in gathering information and making comparison. Shopping products, markets usually distribute their products through fewer outlets but provide deeper sales support to help customers in their comparison effort (Kotler, 2006:236).

2.2.1.3. Specialty Products

According to Kotler (2006:236), specialty products are consumer products and services with unique characteristics or brand identification for which a significant group of buyers is willing to make a special purpose effort. Buyers normally do not compare specialty products. They invest only the time needed to reach dealers carrying the wanted products.

2.2.1.4. Unsought Products

Unsought products are unknown to the potential customers or they are known products that customers do not actively seek. New products come under this category till customers come to know about them through advertising or personal selling. Unsought products are needed by customers but they do not like to think about them and do not want to spend money on them (Kumar 2006:175).

2.2.2. Industrial Product

As to Kotler industrial products are those purchased for further processing or for use in conducting a business. Thus, the distinction between a consumer product and an industrial product is based on the purpose for which the product is bought (Kotler, 2006:236).

The other authors Berkowitz and et al stated that, major characteristics of industrial goods is that their sales are often the result of derived demand; that is, sales of industrial products frequently result from the sale of consumer goods. Industrial goods are classified not only on the attributes the consumer uses but also on how. The item is to be used. Thus, industrial products may be classified as production or support goods.

2.3. Product Level

Product planners need to think about products and services on three levels – core benefit, Actual product and augmented product. The most basic level is the core benefit, which addresses the question what is the buyer really buying? When designing products, marketers must first define the core, problem-solving benefits or services those consumers seen.(Kotler, 2006:234).

At the second level, product planner must turn the core benefit into an actual product. They need to develop product ad service features, design a quality level, a brand name, and packaging (Kotler, 2006:234).

The same author stated that, consumer see products as complex bundles of benefits that satisfy their needs. When developing products, marketers first must identify the core consumer needs. The product will satisfy. They must then design the actual product and find ways to augment it in order to create the bundle of benefits that will provide the most satisfying customer experience.

2.4. Product Attributes

According to Kotler (2006:239), developing a product or service involves defining the benefits that it will offer. These benefits are communicated and delivered by product attributes such as quality, features ad style and design.

2.4.1. Product Quality

Product quality has two dimensions, level and consistency. Thus, in developing a product, the marketer must first choose a quality level that will support the products position in the target market. Here, product quality means performance quality – the ability of a product to perform its functions. Beyond quality level, high quality also can mean high levels of quality consistency, here, and product quality means conformance

quality – free from defects and consistency in delivering a targeted level of performance (Kotler 2006:241).

2.4.2. Product Features

A product can be offered with varying features. Features are a competitive tool for differentiating the company's product from competitors' products. Being the first producer to introduce a needed and valued new feature is one of the most effective ways to compete. How can a company identify new features and decide which ones to add to its product? The company should periodically survey buyers who have used the product and ask these questions. How do you like the product? Which specific features of the product do you like most? Which features could we add to improve the product? The answer provides the company with a rich list of feature ideas. The company can then assess each features value to customers versus its cost to the company. Features that customers value little in relation to costs should be dropped; those that customers value highly in relation to costs should be added (Kotler, 2006:242).

2.4.3. Product Style and Design

Kotler stated that product style ad design is another way to add customer value. Design is a larger concept than style. Style simply describes the appearance of a product. Styles can be eye catching or yawn producing. A sensational style may grab attention and produce pleasing aesthetics, but it does not necessarily make the product perform better. Unlike style, design is more than skin deep-it goes to the very heart of a product. Good design contributes to products usefulness as well as to its looks. The author also added “product designers should think less about product attributes and technical specifications and more about how customers will use and benefit from the product. Good

design can improve product or service performance, cut costs and create strong competitive advantage in the target market (Kotler, 2006:243).

2.5. Product Strategies

There are broad categories of product strategies involved in planning and deciding the product offered. It includes product mix, and product life cycle strategies (Walker, 2004:235).

2.5.1. Product Mix Strategies

A product mix is the set of all products offered, for sale by a company. And the structure of a product mix has both breadth and depth. Its breadth is measured by the number of product lines carried, its depth by the variety of sizes, colors, and models offered within each product line (Etzel, 2004:237).

2.5.1.1. Product-Mix expansion

According to Etzel (2004:239), product mix expansion is accomplished by increasing the depth within a particular line and/or the number of lines a firm offers to customers. When a company adds a similar item to an existing product line with the same brand name, this is termed as line extension.

There are many reasons for line extensions. The main one is that the firm wants to appeal to more market segments by offering a wider range of choices for a particular product. Another way to expand the product mix, referred to as mix extension, is to add a new product line to the company's present assortment.

2.5.1.2. Product-Mix Contraction

Product-mix contraction is carried out either by eliminating an entire line or by simplifying the assortment within a line. Thinner and/or shorter product lines or mixes can weed out low profit and unprofitable

products. The intended result of product mix contraction is higher profits from fewer products (Etzel 2004:241).

2.5.1.3. Alteration of Existing Products

As Etzel stated, “Rather than developing a completely new product, management might do well to take a fresh look at the organization’s existing products. Often improving an establishing product, termed product alteration, can be more profitable and less risky than developing completely new one (Etzel 2004:240).”

2.5.1.4. Trading Up and Trading Down

The product strategies of trading up and trading down involve a change in product positioning and an expansion of the product line. Trading up means adding a higher-price product to a line in order to attract a broader market and also, the seller intends that the new products prestige will help the sale of its existing lower – price products. On the other hand, trading down means adding lower-price product to a company’s product line. The firm expects that people who cannot afford the original higher price product or who see it as too expensive will buy the new lower price one. The lower price product carries some of the status and some of the other more substantive benefits of the higher – price item (Etzel 2004:240).

2.6. Product Life Cycle Strategies

According to Berkowitz and et al the concept of the product life cycle describes the stages a new product goes through in the market place. Introduction, growth, maturity and decline (Berkowitz 2000:314). Another author describes product life cycle, is a model that illustrates the stages through which a typical product passes over time. It tracks the sales and profitability of a product as it moves from introduction, through growth and maturity, to decline. It is also well-accepted

framework for structuring marketing channels design related to each life cycle stage (Bowersox 1992:179).

2.6.1. Introduction

In introductory stages, new products generally meet with some resistance in distribution channels. Manufacturers that desire intensive market coverage may be unable to accomplish that objective, as middlemen resist additions to their product assortments (Bowersox 1992:179).

The other author Berkowitz, States “introduction stage of a life cycle occurs when a product is first introduced to its intended target market. During this period, sales grow slowly, and profit is minimal. The lack of profits often the result of large investment costs in product development.”

2.6.2. Growth

The second stage of the product life cycle, growth, is characterized by rapid increase in sales. It is in this stage competitors appear. The result of more competitors and more aggressive pricing is that profit usually appears during the growth stage. On the other hand product sales in the growth stage grow at an increasing rate because of new people trying or using the product and a growing proportion of repeat purchasers – people who tried the product, were satisfied, and bought again. Changes start to appear in the product during the growth stage. To help differentiate a company’s brand from those of its competitors, an improved version or new features are added to the original design and product proliferation occurs (Kotler, 2006:293).

2.6.3. Maturity

At some point, a product sales growth will slow down, and the product will enter a maturity stage. This maturity stage normally lasts longer than the previous stages, and it poses strong challenges to marketing management. Most products are in the maturity stage of the life cycle, and therefore most of marketing management deals with the mature product.

The slowdown in sales growth results in many producers with many procedures with many products to sell. In turn, this overcapacity leads to greater competition. Competitors begin making down pricing increasing their advertising and sales promotions, and upping their RFD budgets to find better versions of the product. These steps lead to a drop in profit. Some of the weaker competitors start dropping out, and the industry eventually contains only well-established competitors.

Although many products in the mature stage appear to remain unchanged for long periods, most successful ones are actually evolving to meet changing consumer needs (Kotler, 2006:293).

2.6.4. Decline

According to Ramaswamy, in the decline stage, sales begin to fall. The demand for the product shrinks, probably due to new and functionality advanced products becoming available in the market, or the market becoming apathetic to the product. In any case, prices and margins get depressed; total sales and profits diminish. Some firms at this stage may try to link up the sale of these products with some other premium products. They have developed and thus try to stretch the life of the declining product. Firms do perceive at this stage the impending total decline and prepare. For the gradual phasing out of the product. Successful firms quite often keep new products ready in queue to fill the

vacuum created by the decline of existing products (Ramaswamy 2002:351).

The other author states that, as new and improved products are launched which more easily meet the customers' needs, the sale of the product will move into the decline stage. During the stage sales will gradually fall, as will the profits, and therefore little or no money will be spent on promotion. The decision of the marketing ad product manager is whether to maintain the product with little or no expenditure, or whether to eliminate it (Watkins, 2006:14).

2.7. Product Support Services

As per Kotler (2006:246) stated, customer service is another element of product strategy. A company's offer usually includes some support services, which can be a minor or a major part of the total offering. According to the same authors there are steps to assess the value of current services. The first step is to survey customers periodically to assess the value of current services and to obtain ideas for new ones. Once the company has assessed the value of various support services to customers, it must next assess the costs of providing these services. It can then develop a package of service that will both delight customers and yield profits to the company.

2.8. Differentiation

One company's product is distinguished from that of its competitors by giving customers more value and greater perceived benefits than they could obtain elsewhere. Differentiation can be on the basis of both objective and subjective dimensions. When these differentiating factors clearly give a significant advantage over competitors, they can be used effectively in the firm's product positioning statements. A differentiation

strategy based on dimensions that are important to customers offers an effective way to create value (Anderson 2000:77).

As per Kotler, differentiation occurs when the company concentrates on creating a highly differentiated product line and marketing program so that it comes across as the class leader in the industry. Most customers would prefer to own this brand if its price is not too high (Kotler and Armstrong, 2006:534).

2.9. Branding

Branding is a process by which companies distinguish their product offering from the competition. By developing a distinctive name, packaging and design, a brand is created. Some brands are supported by logos. By developing an individual identify, branding permits customers to develop associations with the brand and eases the purchase. Decision, here the marketing task is to ensure that they are positive and inline with the chosen positioning objectives. (Jobber, 2001:229)

In favor of Pati strong brand are important to both marketers and customers. These are wanted by marketers as they provide relatively higher return on sales, have higher loyalty than their weaker competitors, provide opportunities for brand extension, have better leverage with trade, can bounce back after a mistake and recover fast from aggressive price promotion by its competitors (Pati 2002:190).

2.10. Package

According to Kotler, packaging involves designing and producing the container or wrapper for a product. The package includes a products primary container. It may also include a secondary package that is thrown away when the product is about to be used. And finally, it can include a shipping package necessary to store, identify, and ship the

product. The same author also stated that, traditionally, the primary function of the package was to contain and protect the product. In recent times, however, numerous factors have made packaging an important marketing tool. Increased competition and clutter on retail store shelves means that packages must now perform many sales tasks—from attracting attention, to describing the product, to making the sale (Kotler 2006:244).

2.11. Labeling

Labels may range from single tags attached to products to complex graphics that are part of the package. They perform several functions. At the very least, the label identifies the product or brand. The label might also describe several things about the product. Who made it, when it was made, its contents, how it is to be used, and how to use it safely. Finally, the label might promote the product through attractive graphics (Kotler 2006:245).

2.12. New Product

Kotler defined new product, a good, service or idea that is perceived by some potential customers as new.

Other authors try to distinguish new products into three categories, the first one as they stated products that are really innovative-truly unique. Any new product in this category satisfies a real need that is not being satisfied at the time it is introduced. The second category is, replacements that are significantly different from existing products in terms of form, function, and most important benefits provided. And the last category is imitative products that are new to a particular company but not new to the market. In another situation, a firm may simply want to capture part of an existing market with a “me too” products. To

maximize company wide sales, makers of cold and cough remedies routinely introduce imitative products, some of which compete with nearly identical product from the same company (Etzel 2004:218).

2.13. New Product Strategy

To achieve strong sales and healthy profits, every producer of business goods or consumer goods should have an explicit strategy with respect to developing and evaluating new products. The same author also states new product strategy, a statement identifying the role a new product is expected to play in achieving corporate and marketing goals. For example, a new product might be designed to protect market share, meet a specific return-on-investment goal, or establish a position in a new market. Or a new products role might be to maintain the company's reputation for innovation or social responsibility. A new product strategy can also help a firm avoid the problem of having numerous products under development but few actually becoming ready for the market. The priorities in the strategy can be used to determine which prospective products should receive special attention, which should go on the "book burner", and which should be scrapped (Etzel , 2004:220).

2.14. Stages in the Development Process

As to Etzel the development process is Guided by a company's new product strategy, a new product is best developed though a series of six stages-idea generation, screening of ideas, business analysis, prototype development, market tests and commercialization. And author Berkowitz has identified them as seven stages by including new product strategy development. The other author Kotler developed eight series of stages namely-idea generation, idea screening, concept development and testing, marketing strategy, business analysis, product development, test marketing, and commercialization.

2.14.1. Idea Generation

Developing a pool of concepts for new products or idea generation, must build on the previous stage's results. New product ideas are generated by consumers, employees, basic research and development and competitors (Berkowitz et al 2000:299).

And Kotler states that new product development starts with idea generation—the systematic search for new product ideas. A company typically has to generate many ideas in order to find a few good ones. The author points out major sources of new product ideas include internal sources and external sources such as customers, competitors, distributors, and suppliers and others (Kotler 2006:276).

2.14.2. Idea Screening

At this stage, new product ideas are evaluated to determine which ones warrant further study. Typically, a management team relies on its experience and judgment, rather than on market or competitive data, to screen the pool of ideas (Etzel, 2004:222).

Kotler states idea screening as the first idea – reducing stage which helps spot good ideas and drop poor ones as soon as possible.

2.14.3. Concept Development and Testing

An attractive idea must be developed into a product concept. It is important to distinguish between a product idea, a product concept, and a product image. A product idea is an idea for a possible product that the company can see itself offering to the market. A product concept is a detailed version of the idea stated in meaningful consumer terms. A product image is the way consumers perceive an actual or potential product.

Concept testing calls for testing new product concepts with groups of target consumers. The concepts may be presented to consumers

symbolically or physically. For some concept tests, a word or picture description might be sufficient. However a more concrete and physical presentation of the concept will increase the reliability of the concept test (Kotler 2006:280).

2.14.4. Marketing Strategy Development

The next step is marketing strategy development, designing an initial marketing strategy for introducing the product to the market. The marketing strategy statement consists of three parts. The first part describes the target market. The planned product positioning; and the sales, market share and profit goals for the first few years. The second part of marketing strategy statement outlines the product's planned price, distribution, and marketing budget for the first year. And the third part of the marketing strategy statement describes the planned long run sales, profit goals, and marketing mix strategy (Kotler,2006:283).

2.14.5. Business Analysis

As per Birkowitz, business analysis involves specifying the features of the product and the marketing strategy needed to commercialize it and making necessary financial projections. This is the last check point before significant capital is invested in creating a prototype of the product. As an important aspect of the business analysis, the proposed new product is studied to determine whether it can be protected with a patent or copy right. An attractive new product proposal is one in which the technology, product, or brand cannot easily be copied (Birkwitz, 2000:302).

2.14.6. Product Development

It is developing the product concept into a physical product in order to ensure that the product idea can be turned into a workable product. The R& D department will develop and test one or more physical versions of

the product concept. R&D hopes to design a prototype that will satisfy and excite consumers and that can be produced quickly and at budgeted costs. Developing a successful prototype can take days, weeks, months, or even years. Often, products undergo rigorous tests to make sure that they perform safely and effectively, or that consumers will find value in them (Kotler,2006:283).

2.14.7.Test Marketing

As per Kotler (2006:285) states test marketing, the stage at which the product and marketing program are introduced in to more realistic market settings. Test marketing gives the marketer experience with marketing the product before going to the great expense of full introduction. It lasts the advertising, distribution, icing, branding and packaging and budget levels. When using test marketing consumer products companies usually choose one of the three approaches the first is standard test marketing using standard test markets, the company finds a small number of representative test cities, conducts a full marketing campaign in these cities and uses store audits, consumer and distributor surveys, and other measures to gauge product performance. The results are used to forecast national sales and profits, discover potential product problems, and fine-tune the marketing program. The second approach is controlled test markets consists of several research firms keep controlled panels of stores that have agreed to carry new products for a fee.

The third approach is simulated test markets, companies can also test new product in a simulated shopping environment. The company of research firm shows ads and promotions for a variety of products, including the new product being tested, to a sample of consumer. It gives consumer a small amount of money and invites them to a real or laboratory store where they may keep the money or use it to buy items.

The researches note how many consumers buy the new product and competing brands (Kotler, 2006:286).

2.14.8. Commercialization

Test marketing gives management the information needed to make a final decision about whether to launch the new product. If the company goes ahead with commercialization introducing the new product in to the market it will face high cost (Kotler,2006:287).

2.15. New Product Adoption And Diffusion

The livelihood of achieving success with a new product, especially a really innovation product is increased if management understands the adoption and diffusion processes for that product. Once again, we stress that organizations is the set of successive decisions an individual person or organization makes before accepting an innovation. Diffusion of a new product is the process by which an innovation spreads through out a social system over time (Etzel 2004:225).

2.15.1. Stages in the Adoption Process

Consumer goes through five stages in the process of adopting a new product:

Awareness: The consumer becomes aware of the new product, but lacks information about it.

Interest: The consumer seeks information about the new product.

Evaluation: The consumer considers whether trying the new product make sense.

Trial: The consumer tries the new product on a small scale to improve his or her estimate of its value.

Adoption: The consumer decides to make full and regular use of the new product (Kotler, 2006:160)

2.15.2. Adopter Categories

Some people will adopt an innovation soon after it is introduced. Other will delay before accepting a new product, and still others may never adopt it. Research has identified five innovation adopter categories, based on when in the life of a product individuals adopt a given innovation (Etzel 2004:225).

Innovators: Representing about 3% of the market, innovators are venturesome customers who are the first to adopt an innovation. In relation to later adopters, innovators are likely to be younger, have higher social status, and be in better financial shape. Innovator also tends to have broad social relationships involving various groups of people in more than one community. They are likely total more on non personal sources of information, such as advertising, rather than on sales people or other personal sources (Etzel 2004:226).

Early Adopter: Comprising about 13% of the market, early adopters purchase a new product after innovators but sooner than other consumers unlike innovators, who have broad involvements outside a local community, early adopters tend to be involved socially within a local community. Early adopters are greatly respected in their social system; in fact other people are interested in and influenced by their opinions (Etzel 2004:226).

Early Majority:- Representing about 34% of the market, includes more deliberate consumer who accept an innovation just before the “average” adopter in a social system. This group is a bit above average in social and economic measures. Consumers in the early majority group rely quite a bit on ads, sales people, and contact with early adopter (Etzel 2004:226).

Late Majority: The late majority, another 34% of the market, is a skeptical group of consumers who usually adopt an innovation to save

money or in response to social pressure from their peers. They rely on members of the early and late majorities as sources of information. Advertising and personal selling are less effective with this group than is word-of-mouth communication (Etzel 2004:227).

Laggards:- are consumer who are bound by tradition and, hence, are last to adopt an innovation. They comprise about 16% of the market. Laggards are suspicious of innovations and innovators; they wonder why anyone would pay a lot for a new kind of safety device for example by the time laggards adopt something new, it may already have been discarded by the innovators in favor of a newer concept. Laggards typically are older and usually are at the low end of the social and economic scales (Etzel 2004: 227).

2.16.Reasons for New product Failure

As per Kotler there are several reasons for new product failure. Although an idea may be good, the market size may have been over estimated. Perhaps the actual product was not designed as well as it should have been. Or maybe it was incorrectly positioned in the market, price too high, or advertised poorly. A high –level executive might push a favorite idea despite poor marketing research findings. Sometimes the costs of product development are higher than expected, and sometimes competitors fight back harder than expected (Kotler 2004:240).

And according to Doyle,(2002:197), he states that; there have been numerous studies of the success rates of new products. All of them suggest that most new products fail to achieve a reasonable return for the business. The failure rate is high for consumer products. This high and rising failure rate has three implications for management. First, new product development needs to be carefully planned. Second, since many or most, new product ideas will be weeded out before the commercialization stage, management need to stimulate a large pool of

potential new products from which a few winners may emerge. Finally, as risk taking, and consequently the acceptance of new product failure, is fundamental to the innovation process, management must look for ways to reduce the cost of these failures.

2.17. Competitive Reaction To New Product Introduction

New product launches may be in response to new product entries by competitors. Research suggests that when confronted with a new product entry by a competitor, incumbent firms should respond unlikely with a limited set of marketing mix elements. Managers should rapidly decide which ones (product, promotion, price, and place) are likely to have the most impact and concentrate their efforts on them. (David Jobber 2001:300). The same author also states that competitor's reaction times to the introduction of a new product have been found to depend on four factors. First, response is faster in high growth markets. Given the importance of such markets, competitors will feel the need to take fast action in response to the introducing firm and its competitors. Response time is slower when the introducing firm has higher market share. Third, response time is faster in markets characterized by frequent product. Finally, it is not surprising to find that response time is related to the time needed to develop the new product.

CHAPTER THREE

Data Presentation Analysis and Interpretation

This chapter deals with the representation, analysis and interpretation of data gathered from customers of Family milk. These data were obtained through questionnaires and interviews. The questionnaires were distributed to family milk customers and interviews are held with family milk marketing manager. Among the product customers who are found in the supermarket 200 customers were selected as sample respondents. Thus 200 copies of questionnaires containing both open ended and close ended questions were distributed to family milk customers. And the rate of return for the questionnaires were 93.35% that means out of the total 200 questionnaires distributed 187 questionnaires were filled and returned back.

3.1 General characteristics of the respondents

Table 1 shows the general characteristics of respondents which include sex, age, educational background and occupational distribution.

Table 1 General characteristic of the respondents

No	Item	Respondents	
		Number	Percentage
1.	Sex		
	A. Female	120	64.17%
	B. Male	67	35.83%
	Total	187	100%
2.	Age		
	A. 18-28	36	19.25%
	B. 29-39	79	42.24%
	C. 40-50	59	31.55%
	D. Above 50	13	6.95%
	Total	187	100%
3.	Educational background	8	4.28%
	A. Primary	18	9.26%
	B. Secondary	65	34.76%
	C. Certificate	84	44.92%
	D. Diploma	12	6.42%
	E. Degree	-	-
	F. Other, please specify		
	Total	187	100%
4	Occupation		
	A. Office work	60	32.1%
	B. Field work	10	5.35%
	C. Business person	20	10.69%
	D. Other, please specify	91	51.87%
	Total	187	100%

As it is shown on item number 1 the sex distribution of the respondents are 120 females which covers 64.17% of the total respondents and 67 35.83% were male. Item number 2 indicates the age group of the respondents. Out of 187 respondents 36(19.25%) are the age group between 18-28, 79(42.24%) of respondents are age group between 29-39, the rest 59(31.55%) and 13(6.95%) of the total respondents lie on the age group of 40-50 and above 50 respectively. Item number 3 reveals the educational background of the respondents, 8(4.28%) of the respondents are primary level, 18(9.26%) of them are secondary level, 65(34.76%) of

the respondents are certificate and the rest 84(44.92%) and 12(6.42%) have diploma and first degree respectively. In item number 4 shows the respondents occupation, out of 187 respondents 60(32.1%) are office workers, 10(5.35%) are field workers, 20(10.69%) are business people and the majority 97(51.87%) of the total respondents are housewives.

3.2 Analysis of the findings of the study

This research study tries to investigate family milks capability towards new product development from both customers as well as from employee's point of view. Accordingly various questions were posed to sample respondents mainly related with new product development, feedback, compliant handling mechanisms of family milks product and quality related issues.

Thus in this section Responses from customer and company marketing manager are presented, analyzed and interpreted as follows.

3.2.1 Responses of customer of family milk.

Table 2. Customer general response toward the company's product.

No	Item	Respondents	
		Number	Percentage
1.	For how long have you consume family milk?		
	A. < 1 year	35	18.72%
	B. 1 year	30	16.04%
	C. 2 years	91	48.66%
	D. 3 years	17	9.04%
	E. 4 years	14	7.49%
	Total	187	100%
2.	Have you ever used milk other than family milk?		
	A. Yes	182	97.33%
	B. No	5	2.67%
	Total	187	100%
3.	If you have used other milk product then how do you compare family milk with other milks?		
	A. Very high	7	3.74%
	B. High	111	59.36%
	C. Medium	58	33.69%
	D. Low	6	3.21%
	E. Very low	-	-
	Total	182	100%

On question number 1 respondents were asked for how long they have consumed Family milk out of 187 respondents 35(18.72%) have consumed less than a year, 30(16.04%) have consumed for a year and 91(48.66%), 17(9.09%) and 14(7.49%) of the respondent have consumed Family milk for 2, 3 and 4 years respectively. From the above presentation, majority of consumers have used Family milk these two years. The next question was if they have ever consumed milk other than Family milk, 182(97.33%) of the total respondent were consumed other milk than Family milk. The last 5(2.67%) did not consume other than Family milk. The last question was if respondents used other milk

product how they compare the quality of Family milk with that of competitors.

3.2.2 Customers towards Family milk product.

Table 3

No	Item	Respondents	
		Number	Percentage
1.	Do you think family milk product is easily accessible?		
	A. Yes	84	44.92%
	B. No	103	55.08%
	Total	187	100%

In item number 1 question was raised for the respondents about the accessibility of family milk, out of 187, 84(44.92%) replied yes where as 103 (55.08%) of the respondents replied no from this we can understand that the company need to work more on accessibility of its product to customers easily.

3.2.3 Family milk product quality

Table 4 Product quality compared to other milk products.

No	Item	Respondents	
		Number	Percentage
1.	What comes in your mind primarily when you think or see Family milks product?		
	A. Its quality	46	24.6%
	B. Its taste	25	13.3%
	C. Its natural odor	89	47.59%
	D. Its price	27	14.44%
	E. Other, please specify	-	-
	Total	187	100%
2.	Family milk product quality compared to other milk?		
	A. Very high	-	-
	B. High	7	3.74%
	C. Medium	111	59.36%
	D. Low	63	33.69%
	E. Very low	6	3.21%
	Total	187	100%

As shown on the above table, 89(47.59%) comes in their mind product's odor, 46 (24.6%) products quality, 27 (14.44%) its price and 25(13.37%) respondents that its taste comes in their mind when ever they think or see family milks product. Regarding Products quality compared to other milk, 111(59.36%) rates medium, 63(33.69%) rates as low, 7(3.74%) and 6(3.21%) rated high and very low respectively.

3.2.4 Customers Evaluation Related with the product offered.

Table 5. Customer's perspective towards Family milk products

No	Item	Respondents	
		Number	Percentage
1.	Which characteristics makes family milk product unique or different?	25	13.37%
	A. Price	9	4.8%
	B. Good taste	89	47.59%
	C. Natural odor	58	31.02%
	D. Fat content	6	3.21%
	E. Other, please specify		
	Total	187	100%
2.	How do you evaluate the product capacity meeting with your need?	-	-
	A. Very high	11	5.88%
	B. High	72	38.5%
	C. Medium	104	55.6%
	D. Low	-	-
	E. Very low		
	Total	187	100%
3.	Packaging quality		
	A. Very high	-	-
	B. High	70	37.43%
	C. Medium	113	60.43%
	D. Low	4	2.14%
	E. Very low	-	-
	Total	182	100%
4	Product quality		
	A. Very high	-	-
	B. High	13	6.95%
	C. Medium	70	37.43%
	D. Low	104	55.61%
	E. Very low	-	-
	Total	187	100%

As shown in the above table, characteristics makes Family milk product unique or differentiate, 89(47.59%) of the total respondent agreed that its natural odor makes it unique and 58(31.02%) agreed that its fat content make it unique and the rest 25(13.37%), 9(4.8%) and 6(3.21%) agreed

that price, good taste and nothing makes it unique respectively. For the same question about the uniqueness of the product the company's marketing manager replied on the interview that the uniqueness of the Family milk product is its freshness, pure natural cow milk, no preservatives are added except pasteurization. And the marketing manager added Family milk is known for its fast delivery service. The question regarding evaluating the product capacity meeting with their need; the respondents rated as 104(55.6%) low, 72(38.5%) medium, and 11(5.88%) rated as high. The two extremes (very high and very low) were not chosen. Question regarding package quality out of 187 respondents, 113(60.43%) rated as medium, 70(37.43%) high and 4(2.14%) low. Here also the two extremes very high and very low were not selected. The last question was regarding product of quality, 104(55.61%) agreed that the product has low quality because it doesn't keep its consistency. Regarding question raised for marketing manager of the company about meeting customers need, the marketing manager replied we can not say 100% we meet our customers need as it is young on its establishment but works hard to strive for excellence.

For the question regarding package quality, since it is a major component on sensitive products like milk, majority of the respondents 113(60.43%) replied medium, 70(37.43%) high and 4(2.14%) low. The package doesn't get a rank of very high quality and very low as well. With this perspective the marketing manager agrees that the packaging problem was a raised from the country's foreign currency problem forced the company to use local or domestic made packaging which is of poor quality. Due to this inconsistency on packaging has been shown.

3.2.5 Relative attributes of the product and customer services

Table 6 Relatives attributes of the product

No	Item	Respondents	
		Number	Percentage
1.	Taste of the product?		
	A. Very high	-	
	B. High	5	2.67%
	C. Medium	60	32.09%
	D. Low	122	65.24%
	E. Very low	-	-
	Total	187	100%
2.	Natural odor		
	A. Very high	13	6.95%
	B. High	43	22.99%
	C. Medium	50	26.74%
	D. Low	74	39.57%
	E. Very low	7	3.74%
	Total	187	100%
3.	Fat content		
	A. Very high	22	11.76%
	B. High	85	45.45%
	C. Medium	66	35.29%
	D. Low	14	7.49%
	E. Very low	-	-
	Total	187	100%

According to 122(65.24%) of the total respondents the taste of the product is rated as low. And 60(32.09%) of the respondent replied as medium and only 5(2.67%) of the total respondent agreed that the product taste is high or suited to their preference. On item number 2 question related to its natural odor preference of the respondents replied that 13(6.95%) rated as very high, 43(22.99%) high, 50(26.74%) as medium, 74(39.57%) responded that its odor is not their preference and 7(3.74%) replied very low, respondents who really do not prefer the natural odor. On item number 3 the fat content of the product, out of 187 respondents, 22(11.76%) replied as very high, 85(45.45%) rated its fat content as low. The respondents did not give very low for its fat content. The marketing management of the company

responded regarding the product's taste, odor and fat contents as follows respectively. The taste of the product is arise from its pureness of milk and the company collects milk from different farmers association and the association is again collecting milk from its members(farmers). Those farmers feed different kinds of food. The odor arises from its natural scent of milk or a proof of not using any preservatives to avoid the odor. Its fat content is always the same based on the standard 2.7 but due to the difference of food those cows eat the milk thickness varies and due to this customers may feel that the product's fat content varies but the standard is 2.7 per half liter package is always constant.

3.2.6 Family milks feedback handling practice

Table 7. Compliant handling mechanisms of Family milk?

No	Item	Respondents	
		Number	Percentage
1.	Have you ever had any compliant or idea to generate on the company's product?		
	A. Yes	94	50.27%
	B. No	93	49.73%
	Total	187	100%
2.	If "yes" to the above question have you ever communicate your compliant to Family milk?		
	A. Yes	61	64.89%
	B. No	33	35.11%
	Total	94	100%
3.	If "yes" to whom did you complain?		
	A. To the manager	11	18.03%
	B. To sales people	50	81.97%
	C. Suggestion box	-	-
	D. To compliant holding department	-	-
	Total	61	100%
4.	What was your compliant about the product?	27	44.26%
	A. Freshness	15	24.59%
	B. Odor	9	14.75%
	C. Taste	5	8.2%
	D. Fat content	5	8.2%
	E. Other, please specify		
	Total	61	100%

It is easily observable from the above table that 94 (80.27%) of the total respondent have complaint or idea generate on company's product where as almost half of the respondent did not raise any complaint or idea to generate on the company's product. Out of these 94 respondents, about 61(64.89%) have able to communicate their complaint with Family milk. where as, 33(35.11%) of the total 94 respondents did not communicate

with the company. For those who have been able to communicate which comprises of 61 respondents, 11(18.03%) give their complaint to the manager and 50 (81.97%) give their complaint to the salespeople.

Concerning feedback handling practice of the company the marketing manager replied that whenever there is complaint from customer try to correct the problem but there is no complaint handling department and no suggestion box has been placed for those silent customers.

On item number 4, for the respondents who have been able to communicate to the company, 27 (44.26%) complain about products freshness, 15(24.59%) complained its odor, 9 (14.75%), 5(8.2%) and 5(8.2%) complained about taste, fat content and package respectively.

3.2.7 Customer attitude towards Family milk's product.

Table 8. Customer response towards product improvement.

No	Item	Respondents	
		Number	Percentage
1.	How you even seen, heard or experience any product improvement since you become consumer of family milk?		
	A. Yes	24	12.83%
	B. No	146	78.07%
	c. I don't know	17	9.09%
	Total	187	100%

Table 8 reveals customers response towards product improvement since they became customer of the product. Majority of the respondents, 146(78.07%) did not see, heard or experience any product improvement. where as, 24(12.83%) replied the have seen improvement regarding packaging and the rest 17(9.09%) said they don't know.

3.2.8. Customers response towards Family milk product modification.

Table 9. Customer response towards the company's product modification that can lead to new product development.

No	Item	Respondents	
		Number	Percentage
1.	What do you want from the company to incorporate for you on the product development or modifying existing product?		
	A. It's odor	42	22.46%
	B. It's taste	103	55.08%
	C. Variety on its fat content	10	5.35%
	D. Variety on its size	20	10.7%
	E. Other please specify	12	6.41%
	Total	187	100%

As item number 1 depicts that for question on the need of the customers to incorporate on product development or modifying existing product. Out of 187 respondents the majority 103 (55.08%) replied its taste, 42 (22.46%) replied its odor, 10(5.35%) replied they need variety on its fat content, 20 (10.7%) replied that they need variety on its size and the rest 12 (6.14%) need different packages.

The marketing manager replied on this aspect as follows, when Family milk started its operation it started with advanced technology which needed a lot of investment but helps it to compete well in the sector. But now there are different agro industries which enters to the market with more advanced technology now the problem is technology becoming dynamics now a days in order to come with new product the company needs lots of investment and different packages. The package is imported from abroad and the packaging companies do not give the company the necessary price list due to Family milk's limited production capacity, since it costs the packaging companies a lot to transportation.

Chapter Four

Summary, Conclusions and Recommendations

This chapter summarizes the main findings of the study's presents conclusions drawn from the findings and forwards recommendations based on the conclusions provided.

4.1 Summaries

Concerning the general characteristics of respondents' sex, age, educational background and occupation were considered from this finding. Females 120(64.17%) taken the majority, where as most of the respondents were the age between 29-39 the educational background of respondents 84(44.92%) holds diploma and the occupation of respondents, 97(51.87%) were house wives.

In relation to customers response towards the company's product most of the respondents 91(48.66%) consume Family milk for 2 years. Majority of the respondents have used other products and 111(60.99%) rate Family milk compared to other milks as medium,58(31.87%)rate as low and 7(3.85%) and 6(3.29%) rated Family milk as high and very low respectively.

Regarding accessibility of the product 103(55.08%) of the respondents do not think Family milk is easily accessible and the rest 84(44.92%) thought Family milk is easily accessible.

In relation to Family milk's product quality compared to other milk products 111(59.36%) of them replied medium, 63(33.69%) replied low, 7(3.74%) of the respondents replied high and 6(3.21%) of the respondents replied very low. Regarding their response on what do they

think of when they think or see Family milk product 89(47.59%) replied that they remember products odor, 46(24.5%) replied as its quality, 27(14.44%) replied its price and the rest 25(3.37%) replied its taste.

Regarding the unique characteristics of the product, respondents give their response, as 89(47.59%) agreed that its natural odor makes the product unique, 58(31.02%) agreed that the products fat content is the uniqueness, 25(13.37%) its price, 9(4.8%) agreed that products good taste and 6(3.21%) replied nothing makes it unique.

In relation to customer evaluation on the product capacity with their need 104(55.6%) respondents rated as low, 72(38.5%) medium, and 11(5.88%) rated as high.

Concerning the package quality, 113(60.43%) agreed that the package quality is medium, 70(37.43%) agreed it has a high quality and the rest agreed that products package is of low quality.

Regarding the product quality, 104(55.61%) replied the product has of low quality, 70(37.43%) replied the product has medium quality and only 13(6.95%) replied the product has a high quality.

Concerning with the relative attributes of the product it incorporates taste, natural odor, and fat content. Majority of respondents agreed that the taste of the product is poor, 60(32.09%) said its taste is medium, only 5 (2.67%) likes the taste and rated high. In addition to its taste, about 74(39.57%) of respondents do not like the odor of the milk, 50(26.74%) gives medium, 43(22.99%) liked the natural odor of the milk, 13(6.95%) liked the odor very much and gives it very high and 7(3.74%) do not like the odor and rated as very low. Lastly, the fat content of the milk, 85(45.45%) gives it very high, 66(35.29%) medium and 22(11.76%) gives it the fat content very high.

In relation to complaint or feed back handling of Family milk, 94(50.27%) respondents had complaint on company's product and 93(49.73%) didn't and 61(64.89%) of respondents were able to communicate to Family milk, of those 61 respondents, 11(18.03%) of respondents were able to communicate with the manager, and 50(81.97%) of respondents communicated with the sales people, 27(44.26%) of the respondents complaint was freshness of the milk, 15(24.59%) odor was their complaint, 9(14.75%) taste of the milk was their complaint, where as 5(8.2%) of them complained about its fat content and 5(8.2%) package of the milk was the compliant.

In relation to customers response towards product improvement 146 (78.07%) replied they have not seen, heard or experience any product improvement since they became customer of the company's product, 24(12.83%) noticed there was improvement regarding package and 17(9.09%) them don't know whether the company made product improvements or not.

And finally, concerning product modification 103(55.08%) wants the company to focus more on product's taste, 42(22.46%) needs a change on product's odor, where as 20(10.7%) needs variety on it's packaging size, 12(6.41%) need different package in addition to the current package and 10(5.35%)wants the company to produce variety on its fat content which comprises of full cream milk, normal milk (2.7 fat) and skimmed milk (0 fat).

4.2. Conclusions

Depending on the findings above the following conclusions are drawn.

- Family milk is producing milk below the customer need and want.
- As revealed from the study the milk product is of low quality which does not incorporate the expectation of customers wants.
- Even though family milk insists on selling natural odor milk majority of the customer did not like the taste and odor of the product.
- According to the study, customers' need a Variety in the size of packaging, which helps them to buy the amount they specifically want and no wastage will be accorded.
- Customers look for healthy or diet food which does not contain fat and need full cream milk for their infants.
- Family milk does not have compliant handling department and the absence of this department may keep customers far from communicating to the company and one of the major importance of customer is their feedback.

4.3.Recommendations

Depend on the findings the following recommendations are forwarded by student researcher.

- The company should give due consideration on improving taste and odor of the milk by acquiring its own farm, the company can maintain consistency and uniformity of the product.
- The company should consider adopting latest technologies in order to maintain product quality and to be competitive in the market.
- Company should establish a research and development department to exhaustively follow the needs, wants, tastes and preferences of customers. R&D should bring out modified or new products in terms of packaging, Fat content, and odor free milk.
- The company should make market research periodically. Not only when there is a problem occurred but also to know the potential customer of the product and when new product is released to the market.
- In relation to company's compliant handling, the company should prepare appropriate compliant handling mechanisms for its customers like suggestion box, toll free line to customers to call for their suggestion or compliant. This would increases customers bond with the company and whenever they see improvements to their complaints they develop belongingness to the company.
- Customers do not need always the same amount of milk. In order to give variety on its package, the company should start packing in different size and different packaging.
- The consumption pattern of customers has always been changing. And the company has only a package which can hold 0.5 liter of milk a piece. Accordingly customer need more than 0.5 liter milk, they are compelled to buy other package of milk. The customer want package that can hold variety of milk contents level like 0.25 liter, 1 liter, 2 liters, etc. Consequently, the company should fulfill the demand of customer by conferring alternative product.

- In relation to formal stages of new product development, the company should establish research and development department to be a leader in the industry and focuses on what customers are really looking for, even if the market is a bit challenging for new products customers will be attracted when they find what they really want.
- A company who engaged in producing or processing needs a research and development department which could work hand in hand with marketing department to observe what is going on competitions side, technological advancement, product innovations to cope with the marketing environment.

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•. ••• ••••• ••••	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
•. ••• •••••	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
•. ••••• •••••	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

.....
 16.

 ?_____

St. Mary's University College
Business faculty
Department of Marketing Management

Questionnaires to be filled by Family Milk customers.

This questionnaire is prepared by a student researcher prospective graduate of year 2010 in the field of Marketing Management, to collect information for the partial fulfillment of a senior essay. And the main objective of this questionnaire is to evaluate the new product strategy of Family Milk. Therefore you are requested to fill this questionnaire honestly and with due care because the correctness of the answer will have paramount importance for the outcome of the research.

Thank you in advance for your sincerely cooperation.

General instructions

- Its' not necessary to write your name
- For the question asked below please put "" mark for the answer you choose and write your idea on the provided space

Part I general characteristics of respondents.

1. Sex

A. female

B. male

2. Age

- A. 18-28 B. 29-39 C. 40-50 D. above 50
3. Educational background
- A. primary school B. high school C. certificate
- D. diploma E. degree
- F. other please specify _____
4. Occupation
- A. Office B. Field work C. Business person
- D. Other, please specify _____

Part ii Questioner related with the product

1. For how long have you used (consume) Family Milk?
- A. < 1 year B. 1 year C. 2 years
- D. 3 years E. 4 years
2. Have you ever consume milk other than Family product?
- A. yes B. No
3. If you have consumed other milk products, how do you compare the quality of Family Milk?
- A. very high B. high C. medium
- D. low E. very low
4. Have you ever seen, heard or experience any product improvement since you become consumer of Family Milk?
- A. Yes B. No C. I don't know
5. If "yes" in which aspect of the product have you experience product development? _____
6. Which characteristics makes Family Milk's product unique or differentiate?
- A. price B. Good taste C. Natural odor
- D. Fat content E. Other please specify _____
7. What do you want from the company to incorporate for you on the product development or modifying existing product?

- A. its odor B. its taste
 C. variety on its fat content D. variety on its size
 E. Other please specify _____

8. Do you think Family Milk's product is easily accessible?

- A. yes B. No

9. If "No" please justify your answer _____

10. What comes in your mind when you think or see Family Milks product?

- A. Its quality B. Its taste C. Its odor D. Price
 E. Other, please specify _____

11. Have you ever had any complaint or idea to generate on the company's product?

- A. yes B. No

12. If "yes" to the above question have you ever communicate your company's product?

- A. yes B. No

13. If "yes" to whom did you complain?

- A. To the manager B. To Sales people C. Suggestion box
 D. Complaint handling department _____

14. What was your complain about the product?

- A. freshness B. odor C. taste D. fat content
 E. other please specify _____

15. Do you think Family Milk product offer matches with your preference with below mentioned factors?

- | | <u>V.high</u> | <u>high</u> | <u>medium</u> | <u>low</u> | <u>V-low</u> |
|---------------|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| A. Good taste | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

B. Natural odor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Fat content	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Package quality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
F. Delivery service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
G. Returning sour milk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
H. Availability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
I. Compliant handling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
J. Total capability of	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Meeting your need

16. In general if you have idea on the new product development practice of the company please write your comment? _____

St. Mary's university college
Faculty of Business
Department of marketing Management

Interview forwarded to he marketing manager/

1. What are the systems to be used to develop new product?
2. Who is responsible to design and materialize new product?
3. How and when does the company conduct market survey for its product development?
4. What are the problems encountered in developing new product or modifying existing product?
5. To what extent your company goes to conduct technological advancement?
6. What factors to be considered in producing and offering a new product to a market?
7. What strategies do you primarily follow in new product offering?
8. How do you collect feedback from the consumer of your product?
9. Do you think that your company product offer to meet with consumers expectation?
10. What do you think is the uniqueness of your product?
11. Do you have research and development department?
12. If "yes" what is its capability?

13. How do you handle consumer compliant?

THE CANDIDATE'S DECLARATION

I, the undersigned, declare that this senior essay / project is my original work. Prepared under the guidance of _____

All sources of materials used for the manuscript have been dully acknowledged.

Name _____

Signature_____

Place of submission: St. Mary's university college

Department Marketing Management

Date of submission: 22, June 2010

ADVISOR'S DECLARATION

This paper has been submitted for examination with my approval as the university college advisor.

Name: _____

Signature: _____

Date: _____

