

CHAPTER 9
ANALYSIS BY VARIOUS FACTORS

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A. Analysis By Factors Influencing The Choice Of Marketing Mix

The earlier chapters examined Marketing Strategies followed at an overall level, marketing strategies followed by new products categories, marketing strategies followed by firms across and within new product categories, marketing strategies followed by parameters such as nature of Company, stage of industry and company competitive position, market attractiveness and company competitive position, intermediaries used, and also examined Company positions at the national, regional Local levels, benefits sought in following these marketing strategies. This part of the discussion examines factors influencing the choice of marketing strategies for the new products under consideration.

9.1 Product Factors

Among the factors influencing product strategies are the product itself, name or image of the company, promotional strategies, launching the new product with a fan-fare, widespread distribution network, price, margins to intermediaries, free samples, demonstrations, incentive schemes and company capacity to flood the market with its new product. Data analysis indicates that among the product related factors contributing to the success of a new product and therefore influencing the product and the choice of marketing strategy –product strategy in this case – includes the products itself. Empirical evidence indicates that though generic the stated factor i.e. the product itself varies across new products in the order of Washing Machine, Music System, Colour Television, Airlines, Car Finance, Company Deposit and B/W TV indicating thereby the relative significance of the stated factor to the new product categories under consideration. Similarly, the factor second viz., the name/image of the company as a factor influencing the choice of the product and the product strategies varies across new products in the order of Washing Machine, Music System, Colour Television, Airlines, Car Finance, Company Deposit and B/W TV. The other factors viz., promotional strategies, launching the new product with a fan-fare, widespread distribution network, price, margins to intermediaries, free sample, demos, incentive schemes and company capacity to flood /fill the market with new product and their relative positions across new product categories are depicted in table 9.1.

These factors are additionally examined for which of these are contributing factors and which ones are inhibiting factors. As is evident from the data analysis

(table 9.1) the inhibiting factors are the product itself one of the cases in Company Deposits, name of the Company in case of one of the cases in airlines, promotional strategies in one of the cases in Company Deposits, launching the new product with a fan- fare in case of one of the cases for Company Deposits and Airlines and two cases for B/W TV, CTV, Music System; widespread distribution network emerged as an inhibiting factor in one case each for Company Deposits, B/W TV, CTV, and Music System; Price in one case of Company Deposits, and several cases of Airlines, B/W TV, CTV, Music System and Washing Machine. Margins to intermediaries in case of Company Deposits, Airlines, CTV, B/W TV, Music System. Free samples in and demonstration case of airlines alone. Incentive schemes in case of Airlines, CTV, Music System, and Washing Machine. Company capacity to flood the market with new products in case of Airlines and the four consumer durables viz. B/W TV, CTV, Music System, and Washing Machine. Each of these factors thus are inhibiting factors for some of the new product categories to a smaller or greater extent. However as is evident from the data to a large extent these are contributing factors across new product categories. Data analysis thus indicate varying significance of these factors across new product categories, these factors by and large being factors contributing to the success of a new product (table 9.1).

9.2 Pricing Factors

Among the factors influencing pricing of a new product are cost considerations, demand considerations, product attributes, market conditions, consumer tastes and preferences, price of competitors, substitutes available and their prices, supply of the product, intermediaries used, promotional expenditures, past performance, industry norms and company product offerings.

The pricing factor leading among these viz., product attributes for instance varies across new products in the order of Washing Machine, B/W TV, Music System, CTV, Car Finance, Airlines and Company Deposits. The second leading factor viz. market conditions varies across new products in the order of Car Finance, B/W TV, Company Deposit, Washing Machine, Music System, CTV, and Airlines. Similarly new product category positions on the other factors influencing new product pricing are depicted in the table. However as evident from the primary data obtained from the marketing practitioners the top five factors influencing New Product pricing are product attributes, market, conditions, industry norms, cost considerations and demand considerations (table 9.2).

9.3 Place Factors

Data analysis indicates that a total of 80 plus factors influencing the choice of intermediaries emerge from the primary data obtained. The top five leading factors

from the 90 factors-ten short of hundred, include reach, widespread network, achieve targets, economical, convenient to reach customers. **The first factor viz., widespread distribution network** for instance varies across new products in the order of order of Music System, Washing Machine, B/W TV, CTV, Airlines, Company Deposit and Car Finance, consumer durables thus taking a lead . The other factors influencing the choice of intermediaries along with their positions on new product categories are depicted in table 9.3.

9.4 Promotion- Factors

Factors influencing the choice of promotion include not only those that are already stated and examined under the head of rationale benefits sought-objectives of promotools used, which have already been examined earlier and in order to avoid repetition therefore are not taken up for discussion here, but additionally also include factors such as previous experience, some fixed percentage, some percentage related to sales, profit, etc, some percentage based on market scenario, some percentage of expected performance, some percentage increase over last years experience, some research study conducted by the company itself, research study conducted by an outside agency, industry, norms and getting more mileage.

Data analysis indicates for instance that the **leading factor viz., some percentage related to profits, sales etc.** varies in significance across new product categories in the order of B/W TV, Airlines, Car Finance, CTV, Company Deposit and Music System. Similarly, other factors along with their positions on new product categories are depicted in table 9.4.

B. Analysis Of Success And Failure Factors

The preceeding discussion examined factors influencing the choice of marketing strategies for the new products under consideration. This part of discussion examines factors contributing to the success of a new product as also factors contributing to the failure of a new product across new product categories.

9.1 Success Factors

Among the factors contributing to the success of a new product, data analysis indicates that at an overall level a total of a hundred and twenty plus success factors emerge in the primary data collected from the practising marketing managers. Broadly speaking these are related to the new product or service itself, the market, the consumer, technology, service.

Data analysis indicates for instance that **the top five factors** contributing to the success of a new product include name of the company / airlines, price of the new

product , word-of-mouth, brand name and new product offering , features, attributes etc.

As is evident from the data, the **first factor viz., name of the Company** leads among the success factors cited and although generic varies across new product categories in the order of Car Finance, Washing Machines, B/W TV, CTV, Music System, Company Deposit And Airlines. The **second factor viz. price of the new product** although vastly attributed as a factor contributing to the success of a new product, as is evident from the data incidentally is not cited as a success factor for the two financial services viz. Company Deposits and Car Finance while in case of the remaining new product categories it varies in the order of B/W TV, Washing Machine, Music System, CTV and Airlines, implying probably the brand- switching that possibly takes place among the consumer durables as against the influence of goal specificity or destination in case of airlines. The **third factor viz., word-of-mouth** though generic varies across new product categories in the order of Car Finance , Music System , Company Deposit, Airlines, CTV, B/W TV and Washing Machines. The **fourth factor viz. brand name** as is evident from the data is not cited as a success factor in case of the two financial services viz., Company Deposits and Car Finance whereas for the remaining new product categories it varies in the order of B/W TV, Music System, CTV and Airlines, Washing Machine. The **fifth factor viz., new product offering, attributes, features etc.** is not cited as a success factor in case of Company Deposit, while for the remaining new product categories it varies in the order of Washing Machine Music System, Colour TV, B/W TV, Car Finance and Airlines-consumer durables thus taking a lead. (table 9.5)

The **other factors** that are cited as **contributing towards the success of new products** include new product itself, market potential, promotional strategy, incentives to intermediaries , brokers push ,market conditions, timing of a new product launch, product availability etc. These factors along with the remaining factors across new product categories are depicted in table 9.5.

9.2 Failure Factors

This part of the discussion examines the factors cited by marketing practitioners as contributing to the failure of new products. Data analysis brings forth a total of hundred plus factors cited as contributing towards the failure of a new product. These factors broadly speaking are related to the new product, the market, the consumers, the Company and so on. **Among the top five factors cited as factors contributing to the failure of a new product** by marketing practitioners and evident in the primary data are market conditions, services, after sales service, Company

policy, word –of-mouth, quality of new product, timing of the new product launch and poor service (table 9.6).

The first factor for instance viz. **market conditions** though generic across new products, varies across new product categories in the order of Car Finance, B/W TV, Music System, Washing Machine, CTV, Airlines and Company Deposit implying thereby the new product categories that are worst affected and these categories capacity to bear the onslaught of market conditions. The **second factor** viz., service including **after sales service** varies across new products in the order of Washing Machine, Music System, CTV, B/W TV, Airlines and Company Deposits, Consumer Durables thus taking a lead though after sales service is not cited as a failure factor in one of the financial services viz. Car Finance . The **third factor** viz. **Company Policy** though generic varies across new products categories in the order of Car Finance, Music System, CTV, Company Deposit, B/W TV, Airlines and Washing Machine. Car Finance are the worst hit due to Company Policy. The **fourth factor** viz., **word-of-mouth** again generic across new products varies across new product categories in the order of Music System, CTV, Airlines, Company Deposits, Washing Machine, B/W Tv and Car Finance. The **fifth factor** viz., **timing of the new product launch** as also **poor services** vary across new products. While the former varies across new products in the order Airlines, Car Finance , Company Deposits and Music System and not cited by the two consumer durables viz. B/W TV and CTV, the latter varies across new products in the order of Airlines, Washing Machine, CTV, B/W TV, Music System and Company Deposits, while the stated is not cited as a factor contributing to the failure of a new product in case of Car Finance (table 9.6).

Empirical evidence also reflects the difficulty in pin-pointing or attributing factors for New Product failure. This is evident not only in the number of factors cited as contributing to the success of a new product vis – a- vis the failure factors but also in the frequencies of these factors. thereby reiterating the difficulty in attributing causes or factors to failure and the relative ease with which success is identified and factor attributed to (table 9.6).

9.3 Some Additional Dimensions

The preceeding discussion examined factors contributing to the success of a new product as also factors contributing to the failure of a new product. A logical question that follows then is : what in the opinion of these marketing practitioners is a new product success or for that matter a new product failure. Is it just profits, sales, volume of business, value of business as routinely believed or is it much more than that. Or is it many more things than mere these. Does it encompass other facets or

views as well. It is with a view to understanding this that the responding marketing practitioners were asked to elaborate as to when would they say that a new product is a success or for that matter a failure. The underlying rationale is to understand the diverse and the multi-faceted views on new product success and /or failure.

Data analysis indicates that a total of a hundred plus measures on the success of a new product emerge. Among the top five measurers of a new product success as evident from the data are when the targets/ the goals are achieved-taking the top place and leading at number one, on number two is when the consumers are satisfied with the new product , on number three is when the new product contributes to increased sales, favorable word-of-mouth is at number four while awareness, repeat customers is at number five. **Thus goal/ task orientation, consumer satisfaction, contribution to increased sales, favorable word-of –mouth and repeat customers are among the several measures of new product success as viewed by marketing practitioners.** Data analysis indicates that these vary by new product categories. **The first measure viz. when goals/ targets are achieved** for instance varies across new products in the order of B/W TV, Car Finance, Company Deposits CTV, Washing Machine, Music System, Airlines. **The second measure viz. customer satisfaction** varies across new products in the order of Music System, B/W TV, Washing Machine, Airlines, Colour TV, Company Deposits and Car Finance. **The third measure viz. contribution to increased sales** varies across new products in the order of Washing Machine, B/W TV, Colour TV, Music System and Airlines. whereas the stated is not cited as one of the success factors for the two financial services viz. Company Deposits and Car Finance. **The fourth leading measure viz., favorable word-of-mouth** varies across a new products in the order of Washing Machine, Music System, Airlines, CTV, Company Deposits and B/W TV whereas the stated is not cited as success measure in case of Car Finance. **The fifth leading measure repeat customers** varies across new products in the order of Car Finance, Airlines, Company Deposits, CTV, Washing Machine, and Music System while the stated is not cited as a measure of success in case of B/W TV services thus taking a lead over consumer durables (table 9.7).

The other measurers cited for new product success include when the firm exceeds set goals/targets, returns are achieved, profits are realized, returns exceed set goals / targets, returns are fair /good, volume is achieved, sustained demand, new product is favorably received by intermediaries, high rate of acceptance / renewals, intermediaries are satisfied, increase in revenue, returns are realized, feedback/ market response is good , consumer widely accept the new product, new product widely accepted by intermediaries and so on. These with the remaining measurers of success along with their positions on new product categories are depicted in table 9.7.

9.4 Measurers Of Failure

This part of the discussion examines the measures cited by marketing managers / executives indicating a new product failure. Among the measures cited by these practitioners as indicative of a new product failure are when new product targets/ goals are not achieved, when targets achieved fall short of stipulation / estimate, sales are low, new product has to be pushed in the market, volumes are not met, demand is not sustained , profit is low or falls short and so on. A total of sixty plus measures indicating new product failure emerge from the primary data obtained from the marketing practitioners. These measurers like the success/ failure factors discussed earlier are half the success measures cited. Thus indicating that failure measures are equally difficult to cite. Failure apparently therefore appears difficult to explain, account for and examine. However from the sixty odd failure measurers cited top five measurers are discussed here as illustrative of new product positions on these measures.

The top five failure measures being : targets not achieved , customers not satisfied, customer complaints received / received frequently and remain unattended or there are delays in addressing these complaints, unfavorable word-of –mouth, under utilisation of capacity. New product category position in case of the **first measure viz., when targets are not achieved** for instance, varies in the order of Car Finance, Company Deposits, B/W TV, Washing Machine, Music System, Colour TV and Airlines. New product category position on the **second measure viz. customers not satisfied** varies in the order of Music System, Airlines , B/W TV, CTV and Washing Machine. while the stated is not cited as a failure measure in case of the two financial services-Company Deposits and Car Finance. **The third measure viz.. customer complaints, customer complaints frequency, complaints unattended to, delays in attending complaints** varies across new products in the order of Music System CTV, B/W TV, Washing Machine and Airlines whereas the stated is not cited as a measure of failure in case of the two financial services viz. Company Deposits and Car Finance. Incidentally along with Airlines the measure is centered largely around consumer Durable which calls for some probing, in the sense that are these complaints with respect to product , after-sales-services, spares, quality ,understanding or related issues. Then what about the issues related to the two financial services. **The fourth measure viz. unfavorable word-of-mouth** Varies across new products in the order of Music System, Washing Machine, Airlines, CTV, B/W TV, Company Deposits and Car Finance. **The fifth measure viz. capacity underutilized, specifically with reference to Airlines** is cited as among the measure of failure.

Thus targets not achieved , customers not satisfied , customer complaints, unfavorable word-of-mouth and capacity underutilized are among the measured cited as indicative of new product failure. The other measures indicates of new product failure and new product positions across the seven categories under consideration are depicted in table 9.8.

9.5 Reasons For Company Having This New Product

In addition to the factors and measures discussed above , marketing managers / executives actually dealing with the new products were asked to cite reasons for their company having the specific new product. In what emerged from the primary data obtained from these marketing managers a total of fifty such reasons have been cited for their company having the specific new product under consideration.

Each of these reasons occupy a unique position for the new products under study and while the same reason may be generic its significance varies across new products or within a new product category. A case in point of the latter for instance are the last but two reasons viz. **provide better facilities to consumers, provide better product to consumers, both of which are centered around and more specific to consumer durables than they are to services.** Or for that matter reasons number four, five and six viz. **good returns, to penetrate the market , profit potential provided by market conditions are centered around and more specific to services than these are for consumer durables.** As against the above two situations, **reason one viz. need for such a product in the market or market potential or exploit market potential though generic across seven new product categories** varies in the order of Car Finance , Company Deposits, B/W TV, Music System, Washing Machine, CTV, and Airlines - thereby indicating the varying significance of the stated reason for the new product categories. It may also be observed that there are some service specific reasons, there are some generic reasons but which vary across new products and there are some consumer durables specific reasons such as reasons number thirty eight to fifty one i.e. **new product features, functions benefits up to collaborations** (table 9.9).

While the fifty individual reasons for firms having the specific new product under consideration along with their status on new products category positions are depicted in table. Some of these reasons include **market potential , exploit market condition , diversification – launch banking and insurance service , raise funds, good returns, penetrate the market , earn profits / profit potential , create awareness about the company , consumer demand, market forces and /or trend , to earn returns , need of the hour for such a product , exploit profit potential and so on** (table 9.9).

9.6 New Product Positioning In The Market

Yet another dimension of the new product and a question is that while quite a few or a couple of firms offer similar product/(s) how then do they position the new product/(s) in the market. The new product may have been positioned for a specific market or for a specific segment or by quality, price, brand name, product features or against a competitor/ competitors. A logical question that follows therefore is how has this new product been positioned in the market. Marketing practitioners were asked to cite the same for the specific new product under consideration. Empirical data indicates that a total of forty plus such measures that have been used to position the specific new product/(s) are cited by the practitioners in the field (table 9.10). It may be observed that some measures are generic but vary in proportions across new products. New product positioned by a Brand Name (measure seventeen) for instance in a case in point. Data analysis indicates the stated is generic but varies across new products in the order of Music System, Colour television, B/W TV, Airlines and Car Finance, Washing Machine with the exception of Company Deposits (table 9.10). As against this there also are instances where the measures used to position the new product are specific to one of the financial services viz. Company Deposit alone and not to Car Finance, Airlines or the four consumer durables. Slow starter and gradual pick up are two such measures cited by one of the financial services firms. There also are instances where these measures are consumer durables specific. Measures thirty to forty two are a case in point. i.e. New product models, new product options, product quality, services after sales services, Company –dealer-customer relations, dealer–customer relations, company name, brand image, functions, benefits, trusted name with a track record, aesthetic looks, hi-tech-product at reasonable price are among the measures used to position consumer durables. The other measures used to position new products along with their respective positions across new product categories are depicted in table. It is thus evident from the above discussion that measures used to position across new products are either generic but vary across new product categories, or are new product category specific or are different across new product categories.

9.7 New Product Differentiation Measures

With similar or almost similar new product offerings, with consumers becoming discerning and making choices among products as evident in their brand choice and /or preferences a logical question that arises then is what or how are these new products differentiated from one another. Is it just the label, brand name, Price, features, or what. It was best left to the marketing managers /executives to point out the measure/ measures that differentiated one new product from another based on their experience of handling new products. Data analysis reflect a total of twenty plus

differentiation measures that sets a specific new product apart from other similar new product offerings. As in the case of positioning measures, even in case of measures reflecting new product differentiation, measures such as connections /destinations and margins to dealers are **specific to airlines alone**, measure nineteen to twenty eight viz. new product features , models , range, after –sales service, quality , brand name, dealer- customer relations, exclusive dealership, brand image, new product function , new product benefits both perceived/ psychological and real and margins to dealers are **specific to consumer durables while measures such as incentives are generic across new products** but vary by new product categories in the order of Airlines, Company Deposits, CTV and Washing Machine while the stated is **not followed** as a measure of differentiation in case of Car Finance and B/W TV. Thus as is evident from the data- analysis some measures are consumer durable specific, others are services specific while some are generic across new product categories. Some of the above discussed measures along with the others measures stated as differentiating new products along with their positions across new product categories are depicted in table 9.11.