

**ASSESSMENT OF THE IMPACT OF MARKETING RESEARCH ON NEW  
PRODUCT DEVELOPMENT**

**BY**

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MBA/ADMINI/01806/2010-2011  
G10BAMP8153**

**BEING A RESEARCH SUBMITTED TO THE POSTGRADUATED  
SCHOOL OF AHMADU BELLO UNIVERSITY, ZARIA. IN PARTIAL  
FULFILLMENT OF THE REQUIREMENT FOR THE AWARD OF THE  
DEGREE OF MASTER OF BUSINESS ADMINISTRATION (MBA).**

**DEPARTMENT OF BUSINESS ADMINISTRATION,  
FACULTY OF ADMINISTRATION,  
AHMADU BELLO UNIVERSITY, ZARIA.**

**FEBRUARY, 2013.**

## **Declaration**

I, MOHAMMED HADIZA declare that the contents of this project represent my own unaided work, and that the project has not previously been submitted for examination towards any qualification. It represents my own opinions and not necessarily those of the society. All materials consulted have been acknowledged by means of bibliography.

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**Hadiza MOHAMMED**

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**DATE**

## Certification

This is to certify that this project titled **“Assessment of the impact of marketing research on New Product Development”** by MOHAMMED HADIZA meet the partial regulation governing the award of the degree of Master of Business Administration (MBA) of Ahmadu Bello University, Zaria and is therefore approved for its contribution to knowledge and literary presentation.

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## **Dedication**

This project is dedicated to ALMIGHTY ALLAH and the memory of LATE MRS SIDIKAT MOHAMMED (my mother) and LATE MAL IBRAHIM BASHIR BELLO (lecturer accounting dept.). May ALLAH GRANT THEM PERFECT PEACE AMEEN.

## Acknowledgement

All thank be to ALLAH who gave me the intellect, protection, guidance; love and strength to complete this study, May HE always see me through all my endeavors, I am heartily thankful to all my family members the “**ADEBISI’S and BAKA’S**”.

My profound gratitude goes to my supervisors, **Mal. Mohammed Yusuf Shafa** for going through the work and offering useful suggestions and materials to ensure a good project work,

**Sir, ”he who wishes the best in life for others can never be wished otherwise. May your today, tomorrow and always be filled with Allah’s Mercy and Protection Amin.”**For your warm encouragement, tolerance, and thoughtful guidance.

A big thank you to **Mall. Abdullahi Nasiru**, Dr. S.A. Karwai head of dept. and the course coordinator and all others staff of business administration dept.

Special thanks to my lovely sister’s *Saratu. U. Adamu* and family, Mrs. *Fatima M. Oyewale* and family, Mrs. *Zaynba kabiru Nacha* and family, Mrs. *Maggie .D. Goyol* and family.

Am also indebted to the boys Ahmed, Abdullateef, Aliyu and the little oners Nafeesat, Fatima khadijat, Mumaeena, Summayya, Faidat, Mubarak, and Abbas may Allah’s blessing be upon you all.

My special appreciation to my co staff Mal Shehu, Kassim, Muyiwa, Habibu, Salome, Mustapha, Mal Garba, and my friends Hajarat, Rashidat, Bestina ,Hauwa, Musa, Maimuna, Aishat, Seun Amina, Naseerat and the class Dinner and Album members.

My appreciation to accounting librarian Mal A. Balarade, all Business Admini, Law and PKL Library staff. I say a million thanks, and the entire MBA G10 part time class.

## Abstract

*Due to the economic condition of Nigerian society, firms undertaking new product development are faced with an environment which is characterised by long lead times from basic research to industrial application, a commercialisation phase with short lead times and an increasingly accelerated rate of obsolescence under the global competition of the new product development process. Marketing problems are numerous and inevitable as most products are not doing well to satisfy the consumers, as a result of poor marketing research to improve the quality of the product. The basic objective is to address the importance of marketing research on new product development and also examine the circumstances under which marketing research can likely be used in the stage of new product development and its impact on profitability. The questionnaire and interview methods were used to collect data for presentation and analysis. The simple percentage justified the entire findings and the statistical techniques of chi-square explicitly show that market research is pivotal tool for new product development and management decision. The entire findings of the study shows that in an attempt to evaluate the use of marketing assessment on new product, the entire area of the study needs a proficient market research development, more budgetary allocation is needed to propel marketing research to boost new product. And the finding of this study is that company organizational structures of market reveal lack of marketing research department of its own and budgetary allocation to marketing research is inadequate. The recommendation clearly stated that companies should take note of the type of research approach to use at the stage which is concerned with comparing the concepts with or against existing market of the competitor. Companies believe that NPD is their life blood; it can be the better way to survive firmly and be more competitive. In addition, the strategy of how to manage NPD process effectively and efficiently is becoming a powerful way of achieving a competitive edge.*

## Table of Contents

Title page	..	..	..	..	i
Declaration	..	..	..	..	ii
Certification	..	..	..	..	iii
Dedication	..	..	..	..	iv
Acknowledgement	..	..	..	..	v
Abstract	..	..	..	..	vi
Table of contents	..	..	..	..	vii

### CHAPTER ONE: INTRODUCTION

1.1	Background to the Study	..	..	..	..	1
1.2	Statement of the Problem	..	..	..	..	4
1.3	Objectives of the Study	..	..	..	..	5
1.4	Significance of the Study	..	..	..	..	6
1.5	Scope of the Study	..	..	..	..	7
1.6	Limitation of the Study	..	..	..	..	8
1.7	Definition of Terms	..	..	..	..	8

### CHAPTER TWO: LITERATURE REVIEW

2.1	Introduction	..	..	..	..	11
2.2	Theoretical Frame Work	..	..	..	..	11
2.3	Concept of Marketing	..	..	..	..	16
2.4	Research in Marketing	..	..	..	..	17

2.5	Types of Marketing	..	..	..	..	22
2.6	Roles of Marketing Research	..	..	..	..	28
2.7	Uses of Marketing Research	..	..	..	..	32
2.8	Concept of Product Development	..	..	..	..	35
2.9	Need for Product Development	..	..	..	..	37
2.10	Stages of Product Development	..	..	..	..	40
2.11	Review of Related Studies	..	..	..	..	47
2.12	Summary	..	..	..	..	54

### **CHAPTER THREE: RESEARCH METHODOLOGY**

3.1	Introduction	..	..	..	..	55
3.2	Research Design	..	..	..	..	55
3.3	Population of the Study	..	..	..	..	56
3.4	Sampling Techniques and Sampling Size	..	..	..	..	57
3.5	Method of Data Collection	..	..	..	..	57
3.6	Method of Data Analysis	..	..	..	..	57
3.7	Research Instruments	..	..	..	..	58
3.8	Justification of Methods Used	..	..	..	..	58

### **CHAPTER FOUR: DATA PRESENTATION AND ANALYSIS**

4.1	Introduction	..	..	..	..	59
4.2	Data Presentation and Analysis	..	..	..	..	60
4.3	Test of Hypothesis	..	..	..	..	81



4.4	Findings	..	..	..	..	83
-----	----------	----	----	----	----	----

**CHAPTER FIVE: SUMMARY, CONCLUSION AND RECOMMENDATIONS**

5.1	Introduction	..	..	..	..	84
5.2	Summary	..	..	..	..	84
5.3	Conclusion	..	..	..	..	86
5.4	Recommendation	..	..	..	..	87
	Bibliography	..	..	..	..	89
	Appendix	..	..	..	..	93

## CHAPTER ONE

### INTRODUCTION

#### 1.1 Background to the Study

Today's world is characterized by major changes in market and economic conditions, coupled with rapid advances in technologies. Companies invest in marketing research on New Product Development (NPD) to ensure future success in the market. However, most marketing research on new products development are often more likely to fail than to succeed, addressing changing tastes with new products is essential in maintaining customer loyalty, so that good NPD becomes a key factor in competitiveness. New products development can succeed if company change the way they do marketing research. (Hollingsworth 1996, and Jeffery 1998) recommended that NPD strategies and process should change to follow changes in market and technology.

It is widely recognized that effective new product development (NPD) processes are causally important in generating long-term firm success (Cooper, 1993; Ulrich and Eppinger, 1995; Wheelwright and Clark, 1995). They can lead to a core competence that either differentiates a firm from its competitors (Prahalad and Hamel, 1990) or provides a threshold competency that is necessary just to survive in fast-changing and innovative industry sectors. Given the importance and value of NPD to firm performance, researchers have developed descriptive frameworks based on linear, recursive, and chaotic system perspectives, which provide different insights and descriptive theories about NPD process structure and behavior. These are then often the basis for normative research, which seeks to predict and prescribe causality in NPD processes (Griffin, 1997).

Problems in conducting effective marketing research on NPD are magnified in many major industrial countries, where spending on research and development, and management of NPD may be even less favorable. However, while some research on NPD in the developing world has begun to appear, NPD success factors have received some research attention, usually higher technology industries provide the context. Developing countries are quite competitive in some industries, which do not require advanced technology, but they still need to do marketing research on NPD to keep up with market trends.

Marketing research on NPD may not necessarily be applicable in the lower-tech industries where these industries hold competitive advantage we examine the impact of marketing research in NPD in industries. Management is often confronted with the dilemma whether or not to invest in a particular stage of the new product development (NPD) program, given market and technology uncertainties surrounding such a decision in current markets, most of all technology-driven or high-tech markets (Moriarty and Kosnik, 1989). The changing economic conditions and technologies combined with increased domestic and global competition, changing customer needs, rapid product obsolescence and the emergence of new markets, require a fast resource allocation process in NPD; see (Bower and Hout 1988, Griffin 1993, Gupta and Wilemon 1990 and Rosenau 1988). At the same time, market and technology uncertainty demand for flexibility in the program; see (Sanchez 1995, Wind and Mahajan).

To remain competitive we must focus more on value added products in the future, which will require increased investment in marketing research.

Modern retailing and changing consumer preferences foster demand for products with better quality, longer shelf life, and better packaging. Foreign brands which were previously imported for a high income minority are now manufactured locally and affordable to the average.

NPD is probably the most important process for many companies as it improves and develops the company's innovativeness. In essence, NPD is a source of attracting customers once the developed products have a high quality.

In business new product development (NPD) is the complete process of bringing a new product to market. A product is a set of benefits offered for exchange and can be tangible (that is, something physical you can touch) or intangible (like a service, experience, or belief). There are two parallel paths involved in the NPD process: one involves the idea generation, product design and detail engineering; the other involves market research and marketing analysis. Companies typically see new product development as the first stage in generating and commercializing new product within the overall strategic process of product life cycle management used to maintain or grow their market share.

The process of NPD is crucial within an organization, but it is a complicated and time-consuming process in which several different activities are involved. NPD is commonly defined by a number of researchers as the transformation of a market opportunity into a product as a result of the integrative coupling of market assumptions with technological possibilities (Krishnan and Ulrich, 2001., Griffm and Hauser, 1992,

1996). The Product Development and Management Association (PDMA) in 2006 defined NPD as an overall process of strategy, organization, concept generation, product and marketing plan creation and evaluation, and commercialization of a new product. This means that NPD is a process that begins with opportunity identification and ends with a set of information that adds value to customers and brings returns to an enterprise.

## **1.2 Statement of the Problem**

Marketing research is a crucial aspect in new product development it's the very first step to which determines the success of any product. It acts as the foundation and cornerstone of any product.

Unfortunately the impact of marketing research is the aspect that receives the least attention; business need not only rely on promotional strategies, but have to fine tune their marketing research programme with view of improving the quality of their product.

To obtain the desired and appropriate results from marketing research, an organization must be guided by certain plans to satisfy all or at least most of the company objectives for it to be worthwhile.

Thus marketing research if well defined and formulated has an impact on new product development of an organization and extent to which the firms put marketing research into practice or effect in solving their marketing problems is what this study intends to examine.

Marketing research is now widely accepted as one of the most important asset possessed by organization.

### **1.3 Objectives of the Study**

The study is specifically aimed at;

- ❖ Highlighting and emphasizing the importance of marketing research on new product development.
- ❖ To examine the effect / extent of marketing research contribution to new product development.
- ❖ Examine circumstances under which marketing research is more likely to be used in the stage of new product development.
- ❖ Identify the factors that influence marketing research on new product development
- ❖ Also recommend as the need arises in order to create customers satisfaction.

### **1.4 Significance of the Study**

The important area focused by the study is the impact of marketing research on new product development; it is intended to achieve two aims; to contribute to both theory and practice of marketing in Nigeria.

One of the greatest and surest ways of achieving customer satisfaction is the planning and implementation of proper marketing research programme in any business organization.

Moreover, the new marketing concept emphasizes on customer satisfaction and integration in the organization towards achieving the single purpose. Therefore, to make these possible, marketers must research properly so as to know the changing need of their customers and the activities of their competitors.

Also the need to re-examine other tools which could be used to reduce the high rate of product failure instead of relying heavily on promotional activities with other tools in marketing to establish whether or not new product will be accepted in the market, it will also expose other areas that have inherent characteristics that make marketing research inevitable instrument for product development.

To contribute to the theory, there are several factors that affect new product development like promotion, prices, distribution and marketing research but most organizations are not interested in research as it is said to be too expensive not only looks outwards to existing and potential markets, the customers (or market place), the competitive environment but also inwards at the ways in which the organization respond to the demands of the market place.

Survival is the key objective of most organization; today's world is characterized by major changes in market and economic conditions, coupled with rapid advances in technologies.

### **1.5 Scope of the Study**

This study is analytical in nature to New Product Development found in production companies; the reason behind this delimitation is because the study intends to assess the impact of marketing research on New Product Development.

The scope of this study is limited in four respects: the unit of measure for this research, the classification of the firm, the type of technology of the firm and identification of firms for the study. First, consider the unit of measure for this research. From the literature it can be seen that the unit of measure common to new product development research is that of the 'product'. However, a different approach is taken for the purpose of this research in that the unit of measure is the 'firms'. The rationale for this approach is that unlike larger and established firms where an individual NPD project is usually one amongst a number of projects, in the case of this, it is more common that there is no single NPD project upon which the firms is based. Therefore, NPD success or failure can be measured in terms of firms' success or failure.

### **1.6 Limitations of the Study**

Some constraints were encountered, during this project. These limitations do not suggest that it is a unfulfilled activity, it only suggest that the activity was conducted



with proper care and caution which will make the activity meaningful and result oriented;

- ❖ Miscellaneous limitation problem developed due to changing environment.
- ❖ Uncertainty of conclusions consumer is the focal point, buying motives are difficult to judge precisely and accurately which bring some sort of uncertainty.
- ❖ Complexity of the subject it fails to give complete and correct guidance to the management on marketing issues.
- ❖ Also cost expensive and time consuming activity it take longer period for completion and the finding when available may prove to be outdated due to fast changing market environment and cannot study all new marketing product.

## **1.7 Definition of Terms**

The terms used in this study may carry slightly different meaning, we therefore consider it necessary to define item to suit the context to which they are used in this study.

**MARKETING RESEARCH:** Marketing research is the function that links the consumer, customer, and public to the marketer through information--information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process.

Marketing research specifies the information required to address these issues, designs the method for collecting information, manages and implements the data collection process, analyzes the results, and communicates the findings and their implications. (*Approved October 2004*)

It's very necessary in an industry as it provides the entrepreneurs the necessary information before any serious decisions are made.

**PRODUCT:** is a very important element of the marketing mix. Product is a bundle of utilities consisting of various product features and accompanying services which are made up of set of tangible and intangible attributes.

**NEW PRODUCT:** Is item really innovation, truly unique in which there is a real need but for which there is no existing substitute is generally considered satisfaction. Replacement for existing product involving a significant differentiation from articles. Initiative product which are new to your company but not new to the market.

**WANT:** are desires for specific satisfiers of need which are person culture and the way he is brought up.

**PRODUCT PLANNING:** is the ongoing process of identifying and articulating [market requirements](#) that define a product's feature set. Product planning serves as the basis for decisions about price, distribution and promotion.

Product planning includes developing a product concept and testing it.

**PROMOTION:** is any technique that persuasively communicates favorable information about a seller's product to potential buyers either directly others who can influence purchase decisions.

**MARKETING:** is the performance of business activities which direct the flow of goods from the producer to the consumer or user in order to satisfy customers and accomplish the company's objective.

**PRICE:** is the amount of money which is needed to acquire and exchange some combined assortment of product and its accompanied services.

**DISTRIBUTION:** is concerned with the activities involved in transferring the goods from the producer to the final buyers and users. These activities could be classified as physical, legal, promotional, and financial, all performed in the course of transferring ownership.

**PACKAGING:** is the general group of activities in product planning which involves designing and producing container paper for a product?

## **CHAPTER TWO**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter is about the review of various authors' ideas and it is also concerned with the concept and definitions of marketing research, the types of marketing research, roles of marketing research, use of marketing research, concept of product development, needs for product development and stages of the product development among others.

#### **2.2 Theoretical Framework**

New Product Development (NPD) is often costly as it involves substantial expenses. Therefore, it is essential to manage NPD effectively and efficiently. In terms of managing NPD performance,( Anderson 2008) stated that a company's overall new product performance depends on the five elements: the NPD process; the organisation of the NPD programme; the NPD strategy; culture and climate for innovation; and senior management commitment to NPD.

However, application to actual practice has been somewhat less common. (Poolton and Barclay 1998) even suggest that much research on NP success factors is too generic, and has not actually been applied to specific contexts very well.

They say that success factors and their importance depend heavily on industry and firm characteristics. They also suggest that much research focuses too heavily on variable by variable analysis.

NPD studies are markedly broad. Over the past decades, a number of researchers such as (Cooper, 1979; Cooper and Klein Schmidt, 1987, 1993; Maidique and Zirger, 1984) investigated many aspects of innovation. What emerged from such work was that one of the key themes in innovation research was to identify the factors that are associated with NPD success. In facing vigorous competition globally, many manufacturing and engineering companies have adopted various techniques or advanced methods in order to be innovative and competitive. Although NPD brought many new opportunities to companies, however, the potential risks underpin the NPD process causes a number of cases of failure due the inadequate management process in NPD. **Empirical studies** thus point to high failure rates of new products, especially in consumer markets (Brockhoff, 1999; Crawford, 1987; Urban and Hauser, 1993). It is therefore development of an effective and efficient management approach in NPD process is highly expected to companies, particularly those small and vulnerable businesses.

Further, because NPD research has not translated very strongly into managerial practice, “*managers are still relying on gut-feel with respect to ‘best practice’ in development ...*” (Poolton and Barclay 1998,). Thus, it is important to look more carefully at success factors within the specific context, and more at the basic concepts, rather than at many specific variables.

Most larger and more mature firm where new product development is derived out of corporate strategy is undertaken as part of new product development. Additionally, it

was argued that NPD should be considered across a number of process related dimensions rather than in terms of process-specific activities. That is, the elements of corporate strategy relating to new product development, NPD process features and the adoption of new product success factors are dimensions of NPD that more accurately describe the NPD process in most company. In turn, the resulting NPD activity undertaken by companies has direct implications for new product success and as a result directly impacts on overall firm success. Additionally, as business incubators can play a positive role in the formation of new firms (Sherman & Chappel 1998), it further argues that this positive role may extend to the NPD activities of some firms. Thus, the relationships between corporate strategy and new product development and the effect of these relationships on new product success, as well as the impact of business incubators on NPD activity, was addressed.

Based upon a review of the literature within the three background theories of new product development, corporate strategy and business incubation

In particular, it is the better understanding of the inter-relationships between corporate strategy and new product development as it relates to companies that provide the most important of these potential contributions. There are considerable bodies of knowledge about both corporate strategy and new product development and the linkages between them for established and large organisations. More specifically, the literature argues that corporate strategy is the foundation for new product management (Crawford & Di Benedetto 2002). However, when considering entrepreneurial start-ups certain conflicts arise within the literature. The basis of these apparent conflicts is that on the one

hand entrepreneurial theory points to the conclusion that the starting point for the establishment of an entrepreneurial new firm is commonly that of a new product concept which, in turn, becomes the starting point for the NPD process (Cooper 1994; Timmons & Spinelli 2004). On the other hand, new product development literature argues that NPD activity evolves out of corporate strategy suggesting a linear progression (Cooper & Kleindschmidt 1993; Cooper 1994). Thus, this would signify a closer relationship between corporate strategy and NPD processes in the context of some companies than may be suggested in some of the literature.

Having considered new product development from a process management perspective, as well as technology transfer as a form of new product development, the issue of new product success in terms of the factors for success and success measurement now will be considered.

To commence, the literature relating to new product success will first be considered. At the product level, it is widely held that the percentage of new product failures is high, even though the rates of failure vary from study to study, and that any company embarking on a new product development program faces a high risk of failure (Cooper 1999; Wind & Mahajan 1997). To address this high rate of failure, a vast amount of research on new product success has been published in fields of marketing, management, and R&D and technology management, while some of these studies relate to research management processes and firm-level environmental and corporate culture issues associated with product success, it is within the product development literature

itself that the factors that determine the outcome of new product development are addressed.

More specifically, insights into the determinants of success and failure in new product development can be gained from several studies in the area (Brown & Eisenhardt 1995; Calantone & Di Benedetto 1990; Cooper & Kleindschmidt 1990; Cooper 1999; Ernst 2002; Johne & Snelson 1988; Lilien & Yoon 1989; Baker & Sinkula 2005). (Craig and Hart 1992) categorise the literature relating to new product success factors as either 'generalist' or 'specialist'.

The generalist theory (studies) seek to identify those variables that have a major impact on new product success or failure and include numerous independent variables in their research design (Rothwell 1976; Cooper 1982; Cooper & Kleinschmidt 1987; Calantone & Cooper 1981; Link 1987; Maidique & Zirger 1990).

On the other hand, specialist theory (studies) tends to concentrate their investigations on one specific driver of product success and investigate it in depth for example, the involvement of users and market orientation of NPD and relationship to success. (Rothwell et al 1974; Baker & Sinkula 2005). However, because previous studies addressing NPD success factors have not been all-encompassing, there is not yet a comprehensive theoretical model of the determinants of innovation success. Indeed, most studies to date have focused on identifying those internal and external factors which are in the direct control of management rather than those outside the direct control of the firm (Ernst 2002). The literature which identifies these elements can be summarised according



to five dimensions: three organisational dimensions and two contextual dimensions. We will consider the organisational dimensions.

These include the NPD process dimension (addressing the effectiveness of the NPD process itself), new product development (that is, those structural and management factors internal to the organisation which may directly affect the effectiveness of the NPD process) and culture (that is, those elements which foster a culture of creativity within the organisation).

### **2.3 Concept of Marketing Research**

An inevitability result of the specialization of production and her growth of companies has been the separation of management and the market that they sell. For example, Paul revere, a highly skilled on silversmith, dealt directly with his customers.

Most of the patter, teapots and other silver items reproduced were custom made. He was immediately and directly aware of his customers needs and desire and their reaction to his products and the price that he charged.

Marketing research was developed as the specialized function to obtain and analyzes information about market and the company's activities in serving its customer. In one sense, it completes a communication 'loop' between the seller, and the market. Though advertisement and personal selling, on elaboration and formally organized system of communication is established between the seller and the market.

Market research is a formally organized system of communication from the market back to the seller in engineering reference, one of the functions itself it to act as a ‘‘feedback’’ loop.

The sole purpose of market research is to help companies make better business decisions about the development and marketing of new products. Market research represents the voice of the consumer in a company. A company must conduct market research so that management can be provided with relevant, accurate, reliable, valid and current information. Market research helps the marketing manager link the marketing variables with the environment and the consumers. It also helps remove some of the uncertainty by providing relevant information about the market variables, environment and consumers. Without relevant information of customers, companies cannot predict market reliably and accurately.

#### **2.4 Research in Marketing**

Marketing research is the systematic combination of logical and data to define and solve important problems in the field of marketing. The logical of cost, must be based on sound premises and the consistent in its development. While the data must appropriate to the nature of the problem and significant in quality, note that, analysis of problem is important if data are later to be selected and organized for it, we define a problem briefly as an objective to attained, the solution implies to at least a step towards objective by improving the marketing decision, the result might be increased in profit sales and advertisement, readership, perhaps decrease in selling time or marketing cost. For basic problems a solution implies a contribution to knowledge.

According to Brow and Belk (2008) that since the definition to marketing research is consistent with a broad definition of scientific methods and alternative definition would be that marketing research is the use of scientific methods, in the solution of marketing problem for an applying field, use off available combination of methods and data will provide an opportunity. To improve decision whether or not the immediate result approach the executive growth of scientific knowledge, as decisions are improved and generalization tested by application in a verity of contexts, marketing research gradually contribute to marketing knowledge. Although, marketing decision requires many judgment elements asking to an art rather than science, the fact does not prelude improving judgment through use of scientific techniques wherever appropriate. The above definition tends to agree with the one given by (Nagel 1961) in the philosophy of science. According to the Marketing Research Association (2000), *"Marketing Research is the function which links the consumer, customer, and public to the marketer through information used to identify and define marketing opportunities and problems; generate, refine, and evaluate marketing actions; monitor marketing performance; and improve understanding of marketing as a process.*

*"Marketing Research specifies the information required to address these issues; designs the method of collecting information; manages and implements the data collection process; analyzes the results; and communicates the findings, recommendations and their implications."*

According to Williams R. Davidson president of journal of marketing research, either one of the above definitions requires some application of the areas of marketing research might operate perhaps the most commonly used definition of the American Association. The committee defines marketing as *“the performance of business activities that direct to flow of goods and services from the producer to the consumer or user”* When use to help define the area of operation for marketing research, the definition does not need added explanation the marketing boundaries are not always clear because they overlap another policy areas may be illustrated by following examples.

In products research, there is a difficult and perhaps overlapping distention. As to what constitute marketing research on products and what the preview of the design engineer is. Product engineer cannot avoid visualization of customers and their use of a product, but they are seldom specialists on how consumer view and use a product. An engineer must think primarily in term of product efficiency as measured by engineering qualities and he must be aware of product cost. Marketing research in the product view must consider many which products will promote sale by suiting consumer's needs and wants, and they must keep a wider eyes on the price consumer will pay relatively to product features. Since both forms of information affect product design and may not in accord, there is room for difference of opinion, cooperate and coordination is needed at any time in a firm. Views on product design provide one example.

A forecast of sales is commonly needed by marketing managers in order to plan sales effort, advertising and other activities, sales forecast also become the base for

financial and production planning. To predict the sales of a firm it is often necessary, to adjust company share of the market to an industry forecast, industry forecast in turn has strongly affected by the level of activities in economy with the result that industry and firm figure are conditioned by economic forecast.

A business furthermore, is not usually offer today's sales only', its manager must provide for sales into the future. To do so, they must plan post sales services policies in order retain consumer's contact and invite repeat. Trade takes pains to promote favorable company and broad image to perpetuate opportunism for repeat trade and to extend trade to new customer or to new product.

An alternative definitions of marketing might provide a more appropriate guide to the scope of marketing research, marketing consist of those businesses activities which align the needs and wants of customers its appropriate goods and services to the capabilities of the firm.

The purposes of our definition if to provide a description of the research function in the field of marketing and by doing so, to indicate the subject matter of the project. As a practical matter, there are some potentials overlap with the product design, economic and other fields where realistic, the need for co-ordinate effort may arise.

Research identifies market segment estimate market potential, measure have analyzed sales data and forecast sales is conducted essentially to answer two questions:

1. Are the target/market identify the appropriate ones?

2. Is the level sales and profit in each market for each product and for each distribution channels as high as it should be? If the answer to either of these questions is known a marketing problem has been identified.

Although research in marketing could be based on;

- ❖ Market measurement which is aimed towards obtaining quantitative data on potential demand over a period of time. These data relates to market potential and sales potential.
- ❖ Influences of controllable it appraises the effectiveness of current product, distribution, promotion and pricing policies and practice to plan for future.
- ❖ Influences of uncontrollable it focus on factors such as the level of consumer credit, business expansion plans etc. they are seldom carries out by marketing researchers.
- ❖ Competitive situation are specifically designed to delve into competitors marketing practices and policies.

Research in marketing provides information to organization about their product, their market, competitors etc. there by making feasible accurate forecast about the future. It should be noted that the adoption of marketing research should be with caution.

## **2.5 Types of Marketing Research**

As a field of endeavor, marketing research is relatively young and certainly expanding. Although, researchers in various kinds conducted earlier studies which we will today call marketing research. The earliest example of formal recognition in the organizational structure of a firm was in 1911, in that year the city publishing company set up what is called their commercial research department.

Marketing Research could be qualitative and quantitative, primary and secondary, and basic and applied.

### **Qualitative and Quantitative**

Qualitative research seeks to explore and uncover answers to problems that are generic in nature or not well defined. It usually involves open-ended questions due to its lack of structure. The most common methods for qualitative research are focus groups with a small, non-random sample. Qualitative research can be time-consuming, with focus groups running well over an hour. Quantitative research, on the other hand, is used when there are already significant findings regarding the research problem. It is usually defined by structure and formality and can include telephone and mail surveys with a large, random sample.

### **Primary and Secondary**

Primary research involves collecting data via surveys, focus groups and interviews directly from your target respondents. This method is typically difficult and time

consuming. However, gathering data directly from your source will help you get firsthand accounts that are free from bias. To gather reliable data, you must prepare open-ended questions that allow you to delve deeper into your respondents' views. Secondary research involves gathering data from sources other than your target respondents. These sources may include government agencies, textbooks, magazines and Internet publications. Compared to primary research, secondary research consumes less time. However, not all data collected may be suited to your research problem.

Today, marketing research is present in nearly all large and medium sized company which provides consumer goods as well as a numerous small firm companies serving industrial markets have been considered slower to make use of marketing research, although, their volume of research is now substantial. In addition to producers of goods and services, marketing research is conducted by advertising agencies, newspaper, magazines and broadcasting companies, by accordingly and management consulting firm and market research firms.

Varieties of marketing research could be identified on any of several base classification for example, product research for marketing purpose is calculated or provide a product, or to identify features having special value to customers. Generally, customers in special segment of the marketing research on price and packaging. If not given separate classification. It may fall into this group along with production design.

## **PRODUCTION RESEARCH**



If one were to selected areas in marketing in which the decisions made the most original and criteria to the success or failure of the company, the risks involve is the greatest and reliable information on which to base the decision is the most difficult to obtain, the choice for most marketing managers would be the development of an introduction to new product.

Both the failure rate and the cost of failure of new product are highly researched and development expenditure of companies in the United States for example, is running excess of two billion per year. It is evidence that much of this, is wasted in terms of producing new product when one considers that substantially less than one-half of product on which research and development are carried out even both to the market and of this one-half or more for, development are carried out even both to the market and of this one-half or more for.

As earlier stated in the statement of the problem, lack of proper marketing research by many producers is one of the reasons why products are not doing well in the market today. A study conducted by staff members of the conference board of America revealed the same thing. The study indicates that inadequate and or poorly conducted market research is an important contributory reason for new product failure.

It is appropriate that marketing research for new product is a subject or an area that deserves attention in any producing firm, the step involves consists of:

1. **Developing New Product Strategy: Deciding what product line the company** will use should offer how products for these lines are to be obtained (acquisition, licensing internal development, some combination of the three) how broad the line should be and how the product extend should be up graded.
2. **Generating Considerate New Product As:** Monitoring external source of ideas (pattern, disclosures, products often for license, from other) companies, the government universities, independent research organization and individual inventors, products marketed by the other companies and suggestions by customers and distribution channel members) and generating ideas internally (Sales force, other employee suggestions, research and development).
3. **Preliminary Screening of Prospective:** Now product evaluating potential new product on preliminary basis.
4. **Concept of Development and Testing:** For promotion prospect deciding to which segment the product should be sold, what is the need of those segments are the design features. Model brand name are attributes necessary to satisfy their needs that are verified.
5. **Conducting a Business Analysis of prospective product:** Marketing source forecast and preparing estimate of investment, profit and marketing share.
6. **Use testing the product:** Obtaining user reaction to the product compare to competitive product.

7. **Sales Testing the product:** Offering the product the sales response to it and to actual or laboratory experiment condition to determine the sales response and to various level of price promotion and other method of distribution.
8. **Commercialization:** is the stage where the product is finally into the market, the company faces its greatest challenges in this stage in terms of cost, decision and risk. Introducing the product for sales although marketing research can be (an offer should be) involved in each these stages the greatest of involvement is usually in stages 4, 5, 6, and 7.
9. **Consumer Characteristics:** The classes of research attempt to identify users of product by any characteristics which will also allow them to be differentiate from non-users of the general public. In one subject we might be interested why a consumer buys a product or how it is used, which is in order way might be considered with brand references. What we have called consumer characteristics, research describes the nature of consumer in the market place whom combined with the measurement of the size of the market as indicated below. It is often called marketing research, in identifying an exclusive or general terms.
10. **Market Analysis:** A common difficult in marketing is lack of adequate information about size dispersion of the market for a company's product. Census data and geographic studies helpful bench mark, but a manager might be interested in the size of market for an industrial or the share of market which might be

captured by his firm. An analysis of purchase of or use by brands might be especially helpful in estimating competitive position.

**11. Sales Forecast:** Plan for marketing activities, production and financial need for all dependent upon expected sales, and forecasting this became important to efficient operation yearly, and internal budgets are based on long term or short term forecast and product line evaluation and company expansion are planned on long term expectation. Forecast might be built up from trade anticipated by individual sales men and regional office estimate, or by product managers.

**12. Distribution Research:** In specific usage, distribution research is equated with logistic or research on physical distribution facilities and institutions common sub-categories selection of outlets, research on channel of distribution and distribution cost studies.

**13. Pricing Research:** Decision concerning the price range for the new product has to be made clearly in the development stage. Product concepts cannot be tested fully, for example without providing an indication of the price of the product.

## **2.6 Roles of Marketing Research**

We examine the role of marketing research in NPD in industry. Inter-functional coordination can add a marketing orientation to NPD, and can bring marketing research considerations in strategy and planning. Perhaps most importantly, marketing research can bring in customer views. A stronger role for marketing research should translate into

these elements contributing to more successful NPD. In particular, we show that marketing research is critical in such a market driven industries. We use statistical methods to demonstrate the broad applicability, rather than the frequently used qualitative and case study approach.

Example Thailand provides a good context for examining NPD. The local food processing industry is strong and internationally competitive (e.g., APFI 1994). Agroindustry represented 56.3 percent of total manufacturing in Thailand in 1990, and food and beverage processing accounted for more than a quarter of larger agro-industry (FAO 1992). The country ranks among the world's five biggest suppliers of food.

The role of marketing research provides information useful in making marketing management decision.

Market research is one of the vital components of marketing: it plays its part before one makes any policy decisions in the field of marketing and communications. Market research can be defined as "the implementation of subjective and objective research methods, whose aim are to collect information and analyses it.

This information constitutes the basis that enables marketers to (re)define and evaluate their strategies". This information is generally concerning behavior, attitudes and motivations of a particular target group. Market research is the first step before any decisions are taken.

As a supplier of information its role is only effective if it enables companies to make useful marketing decisions. Research is conducted throughout the marketing process: at each stage the reactions of the target public, after being analysed, enable one to review the policies, which are confronted with problems conducted with marketing goals, strategies, tactics and acting requires marketing goals describe measureable and states or standards of performance that marketing organization unit, try to attain by identify terms.

We can see that marketing goals apply to sales, marketing cost, consumer and other aspect of marketing research information, so do accurate estimate doe organizational performance can on their goals.

Marketing strategies are determined after goals are set. Marketing goals and strategies describe long term commitment of the firm's resources to meet marketing goals. These indicate the means by which ends will be achieve. For example a firm might accordingly describe his product strategy, sales maintenance through product line expansion. Accordingly, the firm may spend more money on research and development, the firm remain in existing market and add new and improved model through product differentiation of the existing products, another firm might have its products strategy as sales growth through product differentiation in elate market to implement this strategy, the firm will spend more on research and development and produce new product. (Firm related technologies). Other aspect might follow still, and different strategies concerning other aspect of marketing price, distribution and promotion. All firms benefit from the

role of marketing information which they need to select their executive and evaluate their strategies.

Marketing tactics follows marketing strategy. Marketing tactics describe short-run plan and policies consist with marketing goals and strategies. They give more specific direction to marketing managers. For example, promotion tactics might state that firm should:

1. Advertise only in magazine and no network television.
2. Assign sales personnel to territories showing minimum market potentials.

Again another tactics will apply to other aspect of marketing tactics benefit from marketing research in this selection, execution, and evaluation.

Finally, marketing management decision also addresses marketing attention. Marketing action consists of specific things done to implement the marketing goals, strategies and tactics. These are other marketing action undertaking from any aspect of marketing always benefit from marketing research information.

Figure below shows the foregoing description of marketing management.

The table of marketing research information applying all point in the diagram.



Marketing research will continue to play a key role in organizations in the twenty-first century. Technology will enable marketing research to take the lead in providing useful information for effective business decisions. The Internet's role in Marketing Research will continue to grow because it provides a quick, cost-effective way of collecting and disseminating data. Market researchers will continue their evolution from supplying "market and opinion research" to a more strategic position of supplying information, consulting, and exchanging information with consumers (Chadwick, 1998). Companies that take advantage of marketing research and view it as a valuable business component will be the companies that survive and thrive.



The role of marketing research (MR) is to provide management with relevant, accurate, reliable, valid, and current information. Competitive marketing environment and the ever-increasing costs attributed to poor decision making require that marketing research provide sound information. Sound decisions are not based on gut feeling, intuition, or even pure judgment.

## **2.7 Uses of Marketing Research**

Another way of describing the uses of marketing research (and thus, this management information), is in terms of marketing management function. Marketing management functions are separated into four categories:

The Planning consists of present day activities and future performance. Resulting plans may apply to need week, next quarter, next year, five years and even to the next twenty years. To prepare such plans require using of market research information and marketing analysis.

The organizing function in marketing management consists of analysis and decision about tactics that people perform in the firm. For example, one firm might define marketing responsibilities by product line allowing managers to operate such like a one project firm. Another may define responsibility by customer's class, allowing each manager to make decision on all products solid top account in his or her own class.

The learning function in marketing management involves getting organizational to accomplish through other learning activities, including establishing reward system that

motivate and encourage all marketing personnel. Marketing research provides information useful in selecting reward system deterring the nature by direction and guidance should take for each subordinate and making operational decisions.

The controlling function in marketing determines difference between plans and actual performance. Most control activities in the firm regularly provide performance information as monthly sales figures, quarter market share estimate and like.

We can see that planning, organizing, learning and controlling really describe rather than universal management function.

It should be noted that all marketing management problems, decision and actions take place through each environment. Thus, before making any sound decision marketing managers need to understand the external environment completely. They rely heavily on marketing information.

Marketing research helps problem marketing management. What is a problem? The problem pertains to product price, distribution channels and promotion are required management to plan, organize, learn and control in particular. The problem occurs to or related to marketing goals, strategies, tactics and action; the marketing problem occurs inside the marketing organizational unit, inside the organization itself and inside external environment. Marketing research helps solve this problem by combining solution by assessing the effect of previously implemented solution.

For marketers, research is not only used for the purpose of learning, it is also a critical component needed to make good decisions. Market research does this by giving marketers a picture of what is occurring (or likely to occur) and, when done well, offers alternative choices that can be made. For instance, good research may suggest multiple options for introducing new products or entering new markets. In most cases marketing decisions prove less risky (though they are never risk free) when the marketer can select from more than one option.

Using an analogy of a house foundation, marketing research can be viewed as the foundation of marketing. Just as a well-built house requires a strong foundation to remain steady, marketing decisions need the support of research in order to be viewed favorably by customers and to stand up to competition and other external pressures. Consequently, all areas of marketing and all marketing decisions should be supported with some level of research.

While research is key to marketing decision making, it does not always need to be elaborate to be effective. Sometimes small efforts, such as doing a quick search on the Internet, will provide the needed information. However, for most marketers there are times when more elaborate research work is needed and understanding the right way to conduct research, whether performing the work themselves or hiring someone else to handle it, can increase the effectiveness of these projects.

One final point is the assumption that managers and researchers face well defined problems. However, quite often, they face much less solution as they need explanatory

marketing research. Such research helps to identify and understand the problem to determine alternatives solution to or do both thus, a more complete description of marketing research information is that it helps either to identify or solve marketing management problem.

## **2.8 Concept of Product Development**

Product development is a sequential decision process. It's a series of decisions, not one. It is key, therefore, to concentrate attention on the precise new product decision at hand, and think through the market research and creative tools needed for that stage.

Technical specialists and industry experts prepare a detailed requirements specification and product concept design, with a full description of functional features and benefits. At the same time, business analysts write a business plan on the basis of the selected business model and expert reviews. Additional marketing researches, investment searches, and many other types of product research can be conducted at this stage as well. The result of this stage of development is a completed documentation package that defines the product concept.

However management, ensure the system do not run into difficulties which may affect the original purpose of which the plan was set up. In order to do this, the company successfully answered a major question which was what product can be seen as a real need that industrial should develop an offer for sales. Like in any other company, the issue of concept testing with respect to complex product mix was very important. One of

the objectives of the concept testing which has to be addressed by the company on research effort whether the new idea fit into existing consumption habit or does it follow at the end in which consumption habit seems to be changing or does the product fit a gap in offering of similar products at time? The answer to this question was in the alternative.

In developing of concept testing for new product care must be taken to note the limitation, which is that some respondent may just accept the question because they have nothing at stake.

After the product testing, it is usually the policy of the company to do market testing before the product is finally launched in the market as full scale. This is done here in the country through town storming.

## **2.9 Needs for Product Development**

The problem involving the marketing research of the any company calls for an intensive research to improve the product. In the light of that, there is need to conduct more research in the product to maintain quality.

It is an indisputable fact that most companies pay more attention to sales promotion than marketing research. While large sum of money is budgeted for sales promotion annually only little is done with respect to marketing research.

There is the need to change this orientation and invest more in marketing research. This will improve the quality of the product as well as its total revenue.

Calantone and Cooper research (1999) shows that the number one reason for a new product to fail is the lack of attention paid to the real needs and wants of the market place. They also noted that this most common type of failure (28%) typically described a technology driven product. The second most common type of failure (24%) was the “me too” product. In this case the new product copied an already successful competitive product. As a result, customers saw no reason to switch.

There are three key elements to meeting a customer’s need when developing new products or services.

- (i) Desirability: the new product or service must be desirable, i.e. a person wants to use it
- (ii) Purpose: the new product or service must have a useful purpose, i.e. a person will use it
- (iii) User Experience: the new product or service must provide customer satisfaction, i.e. a person is happy using it.

When creating and designing a new product or service it is important to consider the use of the product (what does the product do), the level of usability of the product (how does it work, can it be used comfortably) and the meaning that the product conveys.

Meaning refers to its aesthetics, cultural messages, inherent symbolism and the metaphors it incorporates.

Well-designed products consider both function (use and usability) and meaning as both affect a person’s total perception of the product. “Often the product’s meaning is most influential in the customer’s purchase decision and in the creation of a positive ownership

and use experience”, (Sara Beckman & Johannes Hoech, Harvard Business Review, 2000). The reason that the product’s meaning is so important is that people want to buy and use a product or service that matches their beliefs, values and desires, not purely for fulfilling a purpose.

However, every product that is created should also have a consistency with need, usability and meaning, covering, product development, design, manufacturing, marketing, branding, advertising, packaging, etc. You cannot create a meaning of quality and elegance through design, packaging and advertising if the product’s need and usability are not of equal quality and elegance. As Michael Barry (an inventor of many successful products) puts it, “a successful product is the physical embodiment of a strategy that aligns users, technology and culture”.

### **Discovering unmet customer needs**

If the understanding of customers’ needs is so important, the next challenge is to find out how to discover these needs when developing new products and services. This can be a difficult task, as quite often, customers cannot tell you what they want. And if they can, that still might not lead to the creation of a successful new product.

A researcher in Harvard Business School finds that leading companies who have followed what their customers say have lost out to new innovations from other companies. This he has called “The Innovators Dilemma”.

If this is true then maybe the traditional way of conducting market research is not adequate in the quest for discovering unmet customer needs and creating new disruptive

product opportunities. What people say they want (and do) should not be the only deciding factor in creating new disruptive product innovations.

A new approach starting to become more widespread in industry is to conduct in-depth customer research and to treat potential customers as participants in the new product development process. In simplest terms the approach involves listening to what existing or potential customers have to say, observing what they currently do and observing what they currently use. In formal terms, this approach of in-depth customer research is known as ethnographic research which is “*rigorous study of people’s everyday lives*”.

In relation to new product development, ethnography is used to understand the behaviors, beliefs and values of existing or potential customers in their normal environment, for example, at home, in offices, hospitals and shops, i.e. where people live and work.

The customer understanding gained from ethnography can be used to drive the discovery, design and/or evaluation of new products and services

The following could also be some needs for product development.

- 1 Shorter product lifecycles
- 2 Increasing technological capabilities
- 3 Increasingly competitive Markets
- 4 Grow brand loyalty
- 5 Diversify into growth areas
- 6 Increase Market share
- 7 Production and Research and Development Strategies



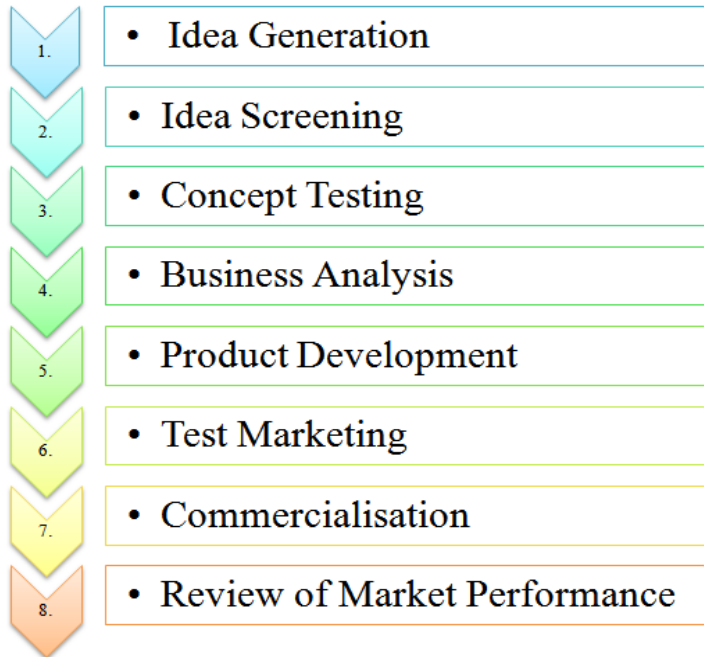
- 8 Requirement of customers,
- 9 Market competition,
- 10 New ideas
- 11 Removal of problems with previous products
- 12 New technology advantages and failure of previous products.

### **2.10 Stages of Product Development**

When designing new products, there should be adherence to a strict classification of development stages developed by most company. Skipping any stage of project development, maximize the risks and shift them, as a rule, to the final stage of product full-scale production.

Some stages can have several iterations, and this is normal in the process of creating technically complex and competitive products. Iterative approach is also often applied when creating software-hardware platforms, designed for building product line-ups on their basis. A successful new product will pass through each of these stages before it is finally launched in the market not all the product progresses from the first stage in the process it can be dropped if it is not found to be feasible, this implies that not all product ideas see the light of the day.

This stages or process or steps involved in the development of new products.



## 1. Idea generation

The first step in new-product development is idea generation; new ideas can be generated by:

- ❖ Conducting marketing research to find out the consumers' needs and wants.
- ❖ Inviting suggestions from consumers.
- ❖ Inviting suggestions from employees.
- ❖ Brainstorming suggestions for new-product ideas.
- ❖ Searching in different markets viz., national and international markets for new-product ideas.
- ❖ Getting feedback from agents or dealers about services offered by competitors.

- ❖ Studying the new products of the competitors.

## **2. Idea screening**

Most companies have an "Idea Committee." This committee studies all the ideas very carefully. They select the good ideas and reject the bad ideas.

Before selecting or rejecting an idea, the following questions are considered or asked:

- 1 Is it necessary to introduce a new product?
- 2 Can the existing plant and machinery produce the new product?
- 3 Can the existing marketing network sell the new product?
- 4 When can the new product break even?

If the answers to these questions are positive, then the idea of a new-product development is selected else it is rejected. This step is necessary to avoid product failure.

## **3. Concept testing**

Concept testing is done after idea screening. It is different from test marketing.

In this stage of concept testing, the company finds out:

- 1 Whether the consumers understand the product idea or not?
- 2 Whether the consumers need the new product or not?
- 3 Whether the consumers will accept the product or not?

Here, a small group of consumers is selected. They are given full information about the new product. Then they are asked what they feel about the new product. They are asked whether they like the new product or not. So, concept testing is done to find out the consumers' reactions towards the new product. If most of the consumers like the product, then business analysis is done.

#### **4. Business analysis**

Business analysis is a very important step in new-product development. Here, a detailed business analysis is done. The company finds out whether the new product is commercially profitable or not.

Under business analysis, the company finds out...

- 1 Whether the new product is commercially profitable or not?
- 2 What will be the cost of the new product?
- 3 Is there any demand for the new product?
- 4 Whether this demand is regular or seasonal?
- 5 Are there any competitors of the new product?
- 6 How the total sales of the new product are?
- 7 What will be the expenses on advertising, sales promotion, etc.?
- 8 How much profit the new product will earn?

So, the company studies the new product from the business point of view. If the new product is profitable, it will be accepted else it will be rejected.

## **5. Product development**

At this stage, the company has decided to introduce the new product in the market. It will take all necessary steps to produce and distribute the new product. The production department will make plans to produce the product. The marketing department will make plans to distribute the product. The finance department will provide the finance for introducing the new product. The advertising department will plan the advertisements for the new product. However, all this is done as a small scale for Test Marketing.

## **6. Test marketing**

Test marketing means to introduce the new product on a very small scale in a very small market. If the new product is successful in this market, then it is introduced on a large scale. However, if the product fails in the test market, then the company finds out the reasons for its failure. It makes necessary changes in the new product and introduces it again in a small market. If the new product fails again the company will reject it.

Test marketing reduces the risk of large-scale marketing. It is a safety device. It is very time-consuming. It must be done especially for costly products.

## **7. Commercialization**

If the test marketing is successful, then the company introduces the new product on a large scale, say all over the country. The company makes a large investment in the new product. It produces and distributes the new product on a huge scale. It advertises the new product on the mass media like TV, Radio, Newspapers and Magazines, etc.

## **8. Review of market performance**

The company must review the marketing performance of the new product.

It must answer the following questions:

- 1 Is the new product accepted by the consumers?
- 2 Are the demand, sales and profits high?
- 3 Are the consumers satisfied with the after-sales-service?
- 4 Are the middlemen happy with their commission?
- 5 Are the marketing staffs happy with their income from the new product?
- 6 Is the Marketing manager changing the marketing mix according to the changes in the environment?
- 7 Are the competitors introducing a similar new product in the market?

The company must continuously monitor the performance of the new product. They must make necessary changes in their marketing plans and strategies else the products will fail.

The product development process could also be considered in the following stages:

- ❖ Product concept creation
- ❖ Proof-of-Concept
- ❖ Electronic device development
- ❖ Assembly and verification of pilot batch
- ❖ Certification tests
- ❖ Preparation for production and pilot batch launch
- ❖ Full-scale production

The result of the experts' work during this stage is quality assurance of the production

Process and the manufactured products.

## **2.11 Review of Related Studies**

Most companies invest in new product development (NPD) to ensure future success in the market. However, new products are often more likely to fail than to succeed. Many observers cite failure rates as high as 90 to 95 percent (e.g. Business Week 1993; Matthews 1997; Young 1998). Hoban (1998) uses a much more restrictive definition of new products and says that up to one-third of new products are successful. Whatever the failure rate, a substantial amount of NPD spending can be wasted; by one estimate, 46 percent of all new product development costs go into products which fail (Power et al 1993). Further, little is spent on new product development in the first place.

Various estimates place NPD spending in USA companies at between one and four percent of gross sales (Hollingsworth 1998; Gorski 1994; respectively).

Low spending and high new product failure rates can easily put companies at a big disadvantage in the increasingly competitive market place. The industry in recent years has been characterized by rapidly changing consumer tastes (e.g., Sloan 1998; Tyler 1998). Addressing changing tastes with new products is essential in maintaining customer loyalty, so that good NPD becomes a key factor in products, with exports valued at US\$ 6 billion in 1995 (BP 1996). About 70 percent of total exports consisted of processed items. However, recently exports have been hit by tough price competition from lower wage Asian countries (BP 1996; Nation 1997).

To remain competitive internationally, Companies will have to focus more on value added products in the future, which will require increased investment in Research & Development.

NPD is also becoming important in domestic markets. Modern retailing and changing consumer preferences foster demand for products with better quality, longer shelf life, and better packaging. Foreign brands which were previously imported for a high income minority are now manufactured locally and affordable to the average. Even if the most innovative NPD is not done inside major companies, local subsidiaries and joint ventures (JVs) have access to new products developed anywhere in the Multi-National Companies (MNC). Many MNCs have major research and development facilities in Asia; some have local facilities in Thailand, so that products can easily be adapted to local markets. This



has all forced some local companies to upgrade research and development, but many have not. Thus, the level of NPD expertise is quite varied, even though Thailand as a whole is not particularly strong in Research & Development (Suwannaporn and Speece 1998).

However, the manner by which individual firms manage their product development activities, as well as the underlying NPD processes themselves, differs enormously between firms (Cooper 1994). Moreover, NPD as a process is, in itself, in a state of constant revision, adaptation and change (Jones 1997) and this change is an evolutionary one which reflects the changing nature of the organisation, and the increasingly sophisticated technological and competitive environment in which firms operate. Greater organisational, competitive and industrial complexity and the increasing pace of industrial change are forcing firms to be more flexible and responsive to market changes (Cooper 1994; Rothwell 1994).

## **MARKETING RESEARCH AND SUCCESS FACTORS IN NPD**

Recent reviews of and research on NPD success factors make it clear that many marketing-related activities contribute substantially to NPD. The marketing role can come in many forms. For example, (Brown and Eisenhardt 1995) summarized research on NPD success factors into three broad research streams, which can be roughly characterized as rational planning, communication webs, and disciplined problem solving. Each of these contains a number of elements, but the discussion about disciplined problem solving is often essentially just the imposition of a careful,

structured, disciplined approach upon the elements related to strategy and planning, and internal and external communication of the respective first two areas. Success factors in (Poolton and Barclay 1998) roughly correspond, although they divide factors into tactical and strategic categories.

Most of this research has been done in technology driven industries. Even in this context, discussion routinely includes marketing as an important function in NPD. Though much research on NPD is from practitioner viewpoints, it suggests that many of the same concepts apply, but that NPD is much more market driven in the food industry than in some other industries (e.g., Fordham 1993; Taylor and Hurley 1993; Karakaya and Kobu 1994; Hollingsworth 1994, 1995, 1996, 1998; Mannion 1996; Surak 1996; Hoban 1998; Jeffery 1998; Ilori, Oke, and Sanni 2000). An overview of NPD may be found in (Suwannaporn and Speece 1998). Thus, marketing research in general may be even more important than in some other industries, and marketing research, in particular, should play a very critical role.

Brown and Eisenhardt (1995) show that most research considers cross functional participation and communication among several internal functions, especially R&D, marketing, and manufacturing, to be important for successful outcomes of the NPD process. (Poolton and Barclay 1998) regard communication and information flow issues as tactical, but nevertheless necessary for good NPD. Moenaert et al (1995) concluded that success rates in NPD were related to the inter-functional transfer of information between R&D and marketing. Moenaert et al (2000) discuss how to structure NPD teams

to enhance communication flows. Song, Xie, and Dyer (2000) also showed that cross-functional involvement and the quality of cross-functional information flow increase NPD success in Japan, Hong Kong, USA, and UK. All of this inter-departmental cooperation is important because the different departments are involved in different stages of the NPD process, and success rates decline if the stages are not performed well.

Some observers go further. Griffin and Hauser (1996) stress that communication between marketing and R&D is necessary but not sufficient, and actual coordination between the two departments is critical, across all stages of the NPD process.

Atuahene-Gima and Li (2000) and Li and Atuahene-Gima (1999) similarly say that marketing's influence is more important than simply its interaction with other functions, or its participation in the NPD process. Kahn and McDonough (1997) discuss marketing's integration with R&D and manufacturing in terms of interaction versus collaboration. They basically distinguish between simple communication or information exchange and a stronger relationship-based interaction, sometimes expressed structurally in a team organization of NPD.

In most processing industry, poor communication can lead to costly mistakes and loss of time. Technical people must often educate marketing people, about recent advances in technology, current packaging concepts, materials and designs, and new ingredients and formulation, as well technical aspects of production (Taylor and Hurley 1993). Marketing must also have substantial influence with R&D people, to keep potential new products oriented toward market needs and customer acceptance.

Communication and information flow in both directions is necessary for NPD to function efficiently (Viaene and Januszewska 1999). Teamwork across the three key functions of R&D, marketing, and production, as well as several others, is seen as a key success factor in Nigeria (Ilori, Oke, and Sanni 2000).

Elements for internal communication, then, include such things as knowledge sharing (information flow) within NPD teams, among various functions involved in NPD, across NPD teams, and the ability to track and bring new product information into the communication flow.

Brown and Eisenhardt (1995) discuss a rational planning approach to NPD, and note that planning, frequent milestones, and senior management involvement are some of the critical issues. Poolton and Barclay (1998) see a whole set of elements, including top management support, integration into strategy, but also flexibility. The NPD process must be well planned (though this is a tactical issue to them), well implemented, and receive appropriate support. Successful NPD is seen as a balance between relatively autonomous problem solving by the project team, and the discipline of a heavy-weight leader, strong top management, and overarching product. Cooper (1994) also cites the need for early strategic thinking about the new product, its role in the company, and its positioning. In addition, he discusses planning and organizing the NPD process as a separate success factor. Moorman and Miner (1998) similarly stress the importance of planning and strategy, but point out again that it should not be too rigid, so that companies can adapt the NPD process to changing conditions and new information.

Brown and Eisenhardt (1995), and Poolton and Barclay (1998) show that much NPD research discusses the need to understand customers.

“Fit with market needs” is considered a strategic issue, one of the success factors in good NPD. Gatignon and Xuereb (1997) consider customer orientation to be one element of the firm’s strategic approach to NPD. Cooper and Kleinschmidt (2000) include marketing synergies within the firm as part of the strategic orientation. Song, Montoya-Weiss, and Schmidt (1997) explicitly talk about marketing resources synergy and marketing skills synergy in NPD, essentially, an orientation of NPD toward the marketing competencies in the firm.

In the food industry, insufficient resources are often cited as a cause of failure (Fordham 1993; Hollingsworth 1994, 1995, 1996). Companies are often tempted to cut NPD costs when they face budget constraints. Further, established brands are often the first priority, followed by cost reduction issues, while NPD ranks behind these in management attention. Top executives often oversee core brands, while new products are delegated to junior managers. NPD which is not supported properly can lead to higher levels of product failure. Thus, management commitment is critical. Companies with the most successful NPD have found that excellent NPD and successful new product introduction demands more finesse and experience than does maintaining the success of an established brand. Katz (1998) argues that focus on core competency is an integral part of best strategy.

Based on in-depth interviews and study in food processing companies in Nigeria, Ilori, Oke, and Sanni (2000) cite both sufficient resource allocation to R&D and synergy between technical and product capabilities, i.e., core competencies, as two of three key success factors in NPD. An in-depth research in the Thai food industry shows that much NPD is even led by top management.

Whatever other problems may still exist, managers report that NPD gets good attention and support, and strategic consideration of NPD seems to contribute to more new product success (Suwannaporn and Speece 1998).

Some of the key elements of planning and strategy, then, include integration of NPD into corporate strategy, focus on company competency, the plan itself, explicit and measurable goals, and top management involvement.

## **2.12 Summary**

The most important factor that influences consumer buying should be the case to consider when embarking on a business. Every business exist on society which is made up of people which form the market, for every type of product an efficient market activity should create more effort in their research department and more emphasis should also be laid on their promotional activity.

Statistics on the success rates of new products show that for every four new products that enter development, only one becomes a commercial success. In the UK, at least 50% of new products fail within their launch year.

However, firms undertaking new product development are faced with their own challenges. In particular, the environment in which firms operate is characterized by: long lead times from basic research to industrial application; a commercialization phase often with short lead times and an accelerated rate of obsolescence under the global competitiveness of the new product development environment (Crawford & Di Benedetto 2002; Litvak 1992; Cooper & Kleinschmidt 1993; Simms 2005).

As it is widely acknowledged, innovation has become a defining challenge for firms in order to gain a competitive edge in the global arena. The problem with innovation as a source of competitive advantages is that this effort becomes a “never ending story”: as rivals catch up with the novelties introduced in the market, the effort of marketing research on new product/process/or service innovation must go on, and on.

## **CHAPTER THREE**

### **RESEARCH METHODOLOGY**

#### **3.1 Introduction**

The chapter explains the researcher design, population of study, sampling and sampling size, techniques method of data analysis, research instrument used and justification of method.

Methodology is the application of various methods, techniques and principles in order to create scientifically based knowledge by means of objective methods and procedures within a particular discipline (Welman and Kruger, 1999). Tull and Hawkins (1993) described research design as a specific procedure, which is adopted in the collection and analysis of data necessary to address a problem. This study utilized the combination of quantitative and qualitative research approach, and study research methods have been carried out. This chapter discusses the aspects of the research methodology including research design, data collection and analysis methods utilized to answer the research questions, and the development of impact of marketing research on New Product Development (NPD).

#### **3.2 Research Design**

In general research design is the specification of procedure for collection and analyzing the data necessary to solve the problem at hand such that, the difference



between the cost of obtaining various level of accuracy and the expected value of the information associated with each level of accuracy is maximized.

For the purpose of this study, the survey research design method is used; it includes this studying sample chosen from the population to discover the relatives' incidence, distribution etc., through designed questionnaires, personal interview and observation. The survey research design for this study will focus on self design and collection of data from the respondents.

Achieving validity and reliability is an important consideration in research design as it may improve the quality of research design. Further, the literature shows that it is now widely accepted that validity and reliability can be achieved in research (Eisenhardt 1989; Gabriel 1990; Miles & Huberman 1994; Parkhe 1993; Yin 1994).

### **3.3 Population of the Study**

Though marketing research is important to all categories of product, the population of the study here is only that of the productions company. This is designed to enable the researcher know exactly what consumers feels about the company's product, price, quality and want satisfying the desire of the people.

### **3.4 Sampling Techniques and Sampling Size.**

The Sample is a portion of a population selected for the study while sampling is the method used in the population sampling, while size is the number of the selected sample from the population.

For this study, fifty staff of various manufacturing firms in Kaduna and Kano were randomly selected and fifty customers were also randomly selected for the study. This brings the sampling size of the study to hundred.

### **3.5 Method of Data Collection**

The researcher went round the markets of Zaria, Kano and Kaduna and some local shops within to interview selected customers. The interview enabled the researcher to ascertain the extent to what consumer feels about the new products development.

Madey (1982) discussed using exploratory interviews and/or observations in improving the sampling framework.

### **3.6 Method of Data Analysis**

The response to the questions in the questionnaire was analyzed using the non-parametric techniques and chi-square. The objective of the analysis was to establish the extent of variation between the observed frequencies and expected frequencies. It is therefore aimed at testing the independence of perception held by the respondents.

### **3.7 Research Instrument**

The instrument used here was personal interview which was more of unstructured than structured interview. As the researcher has said earlier on it was chosen because of the ability to describe record, analyzed and interpret the variable that exists in this study.

Questionnaire is a written set of questions which is given to a large number people to elicit information. In the questionnaire, a set of options are given as answers after each question for the respondents to choose. This is done for the uniformity and for easy analysis.

### **3.8 Justification of Method**

The method used in this study is adopted because of the unfitness of the study. The study is a survey and the best method for survey is questionnaire for the data collection tools and Chi-Square for the analysis, this is because, it is easier to understand the findings and comprehend.

## **CHAPTER FOUR**

### **PRESENTATION AND ANALYSIS OF DATA**

#### **4.1 Introduction**

This chapter is concerned with the analysis of the data collected during the course of the investigation of the study.

No matter the quantity and quality of the data collected for a particular study, no much meaningful results can be obtained unless proper and adequate analysis and processing were carried out. In this section, the analysis tools mentioned in chapter three are adequately applied in order to obtain the necessary information required to achieve the set objectives of the study.

In order to answer the research questions, two sections of questionnaires were administered. One set was distributed to company's management and the other one was administered on the customers of products. This was done with a view to getting balanced information from all parties concerned in the subject matter.

The data collected for this study through the administration of questionnaire, conduct of the interview are elaborately analysis using the appropriate techniques of analysis. A total of 130 questionnaires were administered out of which 106 were received from the respondents, 52 from the staff and 54 from customers. Fifty of each set of returned questionnaires were used for ease of computation The analysis therefore is done on the questionnaires received all cases and it centered on such issues as impact of marketing research on New Product Development

Data collected from described in chapter three is analyzed according to how they relate to the questionnaire stated below which this study set out to answer.

#### 4.2 Data Presentation and Analysis

Table 4.1 What affect the buying habit of customers?

Variable	No. of Respondents	Percentage
A. Belief	-	-
B. Custom	15	30%
C. Values	5	10%
D. Social	30	60%
Total	50	100%

Source: Field Survey 2012.

This table shows that 60% of the respondents signify that social culture affects the buying habits of the consumers while 30% says it is the custom and 10% says its value.

What do you think/consider is the most important attribute of a New Product?

Table 4.3 What do you think/consider is the most important attribute of a New Product?

Variable	No. of Respondents	Percentage
A. Price	5	10%
B. Quality	43	86%
C. Company	2	4%
D. Quantity		
Total	50	100%

Source: Field Survey 2012.

The above table shows that majority of our respondents representing 86% feel that quality is what they consider in new product, 10% feel that it is price, while only 4% feel that the company is what they consider

Table 4.4 Do you buy any brand of New Product?

Variable	No. of Respondents	Percentage
A. Yes	-	-
B. No	3	6%
C. Sometimes	45	90%
D. Not all the time	2	4%
Total	50	100%

Source: Questionnaire Administered 2012.

From the above table it could be deduced that 90% of our respondents responded positively that they sometimes buy any brand of new product, 6% responded “No” while 4% say not all the time.

Table 4.5 What factors affect /influence your buying habit of New Product?

Variable	No. of Respondents	Percentage
A. Belief	-	-
B. Norms	5	10%
C. Quality	45	90%
D. Taste	-	-
Total	50	100%

Source: Field Survey 2012.

The table above reveals information on the extent of which factors influenced their buying habit of new product, majority of the respondents constituting 90% suggests quality, while only 5% suggested norms.

## SECTION B

Table 4.1 Does your company's organizational structure have a marketing research department of its own?

Variable	No. of Respondents	Percentage
A. Yes	-	-
B. No	50	100%
Total	50	100%

Source: Field Survey 2012.

From the above table its show that all the 50 respondents, i.e. 100% said the company does not have a marketing research department of its own.

Table 4.1.1 If "NO" which of these departments handles marketing research for your company?

Variable	No. of Respondents	Percentage
A. Marketing/sales department	-	-
B. Accounting department	-	-
C. Admin/personnel	-	-
D. Production department	50	100%
Total	50	100%

Source: Field Survey 2012.

Table 4.1.1 above shows the organizational structure which indicates that all the 50 respondents, that is, 100% agreed unanimously that the production department of the company is

solely responsible for marketing research activities even though there is no separate department for research.

Table 4.1.2 Does marketing decision of the management depend on the outcome of the marketing research activities?

Variable	No. of Respondents	Percentage
A. Most times	43	86%
B. Often	3	6%
C Seldomly	4	8%
D. Rarely	-	-
Total	50	100%

Source: Field Survey 2012.

Table 4.1.2. Above show the influence of marketing research outcomes on marketing decision of the management. It is clearly seen that marketing research outcomes are utilized most times in the rating of marketing decisions of the management as testified by 43 respondents representing 86%, while 3 respondents representing 6% of the total say oftentimes and 4 respondents representing 8% believe that marketing research outcomes are seldomly used in marketing decisions of the management.

Table 4.1.3 How often does your company undertake marketing research?

Assessing the statistics of research undertaken in some company.



Variable	No. of Respondents	Percentage
A. Annually	3	6%
B. Semi-Annually	2	4%
C. Quarterly	-	-
D. Occasionally	45	90%
Total	50	100%

Source: Field Survey 2012.

Table 4.1.3 above reviews the frequency of marketing research undertaken in company. It shows that marketing research undertaken in most companies is an occasional event as testified by 45 respondents representing 90% of the total.

This assertion is vividly supported by 3 respondents that is, 6% of the total, by rating marketing research undertaken in most companies as annual event, 2 respondents representing 4% of the total reaffirm the claim by rating marketing research activities in most as a semi-annual event.

Table 4.1.4. How can one rate the performance of research activities in your company?

The performance of marketing research activities in some company.

Variable	No. of Respondents	Percentage
A. Very high	-	-
B. High	2	4%
C. Average	40	80%
D. Low	8	16%
Total	50	100%

Source: Field Survey 2012.

Table 4.1.4 above indicates the performance of marketing research activities. It completely reveals that only 2 respondent representing 4% of the total indicates that the performance of marketing research activities is high. The performance of marketing research activities was rated average as clearly revealed by 40 respondents representing 80% while the performance was believed to be low by 8 respondents representing 16% of the total.

Table 4.1.5 How would you rate the personnel responsible for carrying out marketing research for the company?

Evaluation of marketing research personnel.

Variable	No. of Respondents	Percentage
A. Very high	-	-
B. High	45	90%
C. Average	3	6%
D. Low	2	4%
Total	50	100%

Source: Field Survey 2012.

Table 4.1.5 above shows the rating of marketing research personnel received high rating by 45 respondents representing 90% clearly indicate that the performance is high. However, 3 respondents representing 6% of the total, rated the performance as average, while 2 respondents representing 4% rated it as low.

Table 4.1.6 What area(s) of the company activities do customers usually complain on?

Areas often complained.

Variable	No. of Respondents	Percentage
A. Price	2	4%
B. Product	42	84%
C. Distribution/Deliver	6	12%
D. Others specify	-	-
Total	50	100%

Source: Field Survey 2012.

Table 4.1.6 above indicates areas of activities that are often complained of by customers. It shows that price received less complaint as shown by 2 respondents representing 4% of total while product has been the main problem area as testified by 42 respondents representing 84% of the total, while distribution was revealed by 6 respondents representing 12% of the total.

Table 4.1.7 Potential sources of information are available for manufacturing industries in Nigeria through? Indicate your main source of data/information for research purpose.

Variable	No. of Respondents	Percentage
A. Customer	40	80%
B. Salesmen	10	20%
C. Competitors	-	-
D. Other specify	-	-
Total	50	100%

Source: Field Survey 2012.

Table 4.1.7 above revealed the potential; sources of information available for research purpose, It shows clearly that the main sources of information available for research purposes in most company is by the means of customers as indicated by 40 respondents which is 80% of the total. The use of salesmen as a source of information for research purposes was indicated by 10 respondents, that is, 20% of the total.

Table 4.1.8 Does marketing research have impact on New Product Development?

Variable	No. of Respondents	Percentage
A. Most time	40	80%
B. Sometimes	6	12%
C Not at all	4	8%
D. Not all the time	-	-
Total	50	100%

Source: Field Survey 2012.

The table above reveals that 40 respondents representing 80% feels that most times marketing research has impact on new product development, 6 respondents representing 12% feels that sometimes while 4 respondents representing 8% suggest that not at all. Therefore we conclude that it has impact.

Table 4.1.9 Does your company invests in marketing research?

Variable	No. of Respondents	Percentage
A. Yes	40	80%
B. No	6	12%
C Sometimes	4	8%

D. No ideal	-	-
Total	50	100%

Source: Field Survey 2012.

From the table above 80% of the total population agreed “yes” that their company invest in marketing research, 12% say “no” while the remains of 8% say sometimes.

Table 4.1.10 Does your company adopt marketing research on New Product?

Variable	No. of Respondents	Percentage
A. Yes	40	80%
B. No	6	12%
C Sometimes	4	8%
D. Not all the time	-	-
Total	50	100%

Source: Field Survey 2012.

The above table shows that majority of our respondents representing 80% suggest that their company adopt marketing research on New Product which is significantly high, 8% suggest “sometimes”, while 12% consider “no”.

Table 4.1.11 What is your opinion relating to the possibility of marketing research on New Product Development?

Variable	No. of Respondents	Percentage
A. Absolutely possible	45	90%
B. Partially Possible	4	8%

C	Impossible	1	2%
D.	Absolutely Impossible	-	-
Total		50	100%

Source: Field Survey 2012.

The table above reveals that 45 respondents representing 90% feels that it is absolutely possible to conduct marketing research on New Product Development 4 respondents representing 8% feels that it is Partially Possible while 1 respondents representing 2% suggest that it is Impossible. Therefore we conclude that it absolutely possible.

Table 4.1.12 Marketing research has no significance in Our Company.

Variable	No. of Respondents	Percentage
A. Strongly Agree	-	-
B. Agree	-	-
C. Strongly Disagree	50	100%
D Neither	-	-
Total	50	100%

Source: Field Survey 2012.

Table 4.1.12 above indicates the significance of marketing research in most company. It revealed that the 50 respondents, which are 100% disagree strongly that marketing research has no significance in Company.

Table 4.13: Marketing Research findings usually help in proper utilization of our company resources.

Variable	No. of Respondents	Percentage
A. Strongly Agree	44	88%
B. Agree	-	-

C. Strongly Disagree	2	4%
D Neither	4	8%
Total	50	100%

Source: Field Survey 2012.

Table 4.1.13 indicate proper utilizations of marketing research findings, were 44 respondents represent 88% of the total strongly agree, 2 respondent represent 4% strongly disagree and 4 respondent represent 8% neither

Table 4.1.14 Budgetary allocation to marketing research is inadequate.

Variable	No. of Respondents	Percentage
A. Strongly Agree	-	-
B. Agree	40	80%
C. Strongly Disagree	5	10%
D Neither	5	10%
Total	50	100%

Source: Field Survey 2012.

Table 4.1.14 show the amount allocated to marketing research which reveal that 40 respondents which represent 80% agree that the allocation is inadequate, 5 respondents represent 10% strongly disagree while the remaining 5 respondent represent 10% neither.

Table 4.1.15 Research findings have not yielded any solution to marketing problems of the company most of the times.

Variable	No. of Respondents	Percentage
A. Strongly Agree	-	
B. Agree	3	6%

C.	Strongly Disagree	47	94%
D	Neither	-	-
Total		50	100%

Source: Field Survey 2012.

Table 4.1.15. Reveals that 3 respondents which represent 6% agree that research findings have not yielded any solution to marketing problems while 47 respondents which represent 94% strongly disagree.

Table 4.1.16 Marketing Research is an effective tool for exploiting marketing opportunities.

	Variable	No. of Respondents	Percentage
A.	Strongly Agree	44	88%
B.	Agree	-	-
C.	Strongly Disagree	6	12%
D	Neither	-	-
Total		50	100%

Source: Field Survey 2012.

Table 4.1.16. Reveal the effective tool for exploiting marketing opportunities, where 44 respondents which represent 88% strongly agree that marketing research is an effective tool while 6 respondents which represent 12% strongly disagree.

What additional comment(s) can you give relative to the impact of marketing research on New Product Development?



It is majority opinion that most of the company should invest and encouraged both internal and external research for better research and this will allow for wider research coverage and it will have positive impact on new products.

### 4.3 Test of Hypothesis

Test of hypothesis is a hypothetical testable belief or opinion by the use of statistical measure. For the purpose of this research hypothesis  $H_0$  and  $H_1$  would be tested using Chi-Square. These hypotheses were formulated as follows:

$H_0$ : Marketing research has no effect on management decision making.

$H_1$ : marketing research has effect on management decision making.

Chi-Square is a statistical formula which is computed as follows:

$$(X^2) = \frac{(F_0 - F_e)^2}{F_e}$$

Where:

$F_0$ : Observed Frequencies

$F_e$ : Expected frequencies

In testing the hypothesis, the critical value depends on the level of significance and degrees of freedom. Therefore, when the critical value is greater than the calculated Chi-Square ( $X^2$ ) then the null hypothesis  $H_0$  will be accepted, ( $H_1$ ) would be rejected, and

vice versa . For the purpose of testing the hypothesis, responses to question 11 from the administered questionnaires will be used.

Chi Square  $X^2$  is used to test the hypothesis which is referred to as a “goodness of fit” test.

$$\text{Chi Square } X^2 = \sum \frac{(O - E)^2}{E}$$

Where;

O = Observed Frequency ( $F_o$ )

E = Expected Frequency ( $F_e$ )

Does marketing research have impact on New Product Development Is used in testing the hypothesis.

Variable	$F_0$	$F_e$	$F_0 - F_e$	$(F_0 - F_e)^2$	$(F_0 - F_e)^2/F_e$
Most times	40	16.7	23.3	542.89	32.5084
Sometimes	6	16.7	- 10.7	114.49	6.8557
Not at all	4	16.7	-12.7	161.29	9.6581
Not all the times	-	-	-	-	-
<b>Total</b>	<b>50</b>				<b>49.0222</b>

$$X^2 = \sum \frac{(O - E)^2}{E} = \frac{(F_0 - F_e)^2}{F_e} = 49.0222$$

The expected frequencies were obtained by dividing the total frequencies by number of categories of responses .i.e. fifty divided by three. The degrees of freedom is  $(r - 1) (c - 1)$ , where r is the number of rows and c the number of columns.

The degrees of freedom =  $(3 - 1) (2 - 1) = 2$ . Therefore the critical value at 0.05 level of significance and degrees of freedom 2 = 5.991

**DECISION RULE:**

When the critical value is greater than the calculated Chi-Square ( $X^2$ ) then the null hypothesis  $H_0$  will be accepted, ( $H_i$ ) would be rejected, and vice versa .

**DECISION:**

Since the calculated chi-square (49.0222) is greater than the critical value of 5.991 we reject the null hypothesis and accept the alternative hypothesis. This implies that marketing research has impact on new product development.

**4.4 FINDINGS**

In an attempt to evaluate the use of Market Research on the impact of New Product Development in some Companies, the following findings have been revealed.

- 1 That most organizational structure do not provide for marketing research department of its own.
- 2 That marketing decision of most companies is significantly based on the marketing research findings.
- 3 That budgetary allocation to marketing research is inadequate.
- 4 There is not enough qualified and trainees marketing research profession personnel in some Company.
- 5 There are not enough marketing efforts in the sales/marketing activities of the Company.

## **CHAPTER FIVE**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

#### **5.1 Introduction**

This chapter is made up of summary, conclusion and recommendation. In the summary is entails what each of the previous chapters contain, while the conclusion is the outcome of the overall research work and the recommendation is what the researcher finds out on the impact of marketing research on new product development.

#### **5.2 Summary**

The research is an assessment of the Impact of Marketing Research on New Product Development which is divided into five chapters.

Chapter one introduced the study, it states how marketing has been an important tool for determining the success rate of a new product generating more revenue for the entire success of the organization. It also consists of the statement of the problems, significance of study, limitation of the study, scope of the study, limitation of the study and definition of terms. The objective of the study was to examine the contribution and the importance of marketing research on new product development, and examine circumstances under which marketing research is more likely to be used in the stage of new products development and the impact of marketing research on the profitability.

The chapter two explains why the researcher has decided to go into the area of study. The literature consists of the area of product control, sales, targeting and sales forecasting, it states that although, marketing performance in the market, not much

emphasized in most companies. Attempt has been made to look at some theories, research in marketing and the types of research that exist in the field of marketing such as product research, consumer marketing analysis, sales promotion, primary research, distribution research etc.

Chapter three explain the research design of study, techniques and sample size, methods of data collection, method of data analysis and research instruments used. In all, the chapters explain how the research came about, how the data was collected and how the data was analyze to help solve the problem at hand.

Chapter four dealt with the analysis of the relevant data collected for the research, the chapter also dealt with interpretation of the data.

Chapter five is just the summary of all that is contained in the first four chapters. It contains the summary, conclusion, recommendation and bibliography.

### **5.3 Conclusion**

Despite the huge amount of money spent for the promotion activities in most companies, the products are not well recognised. This means that the planning and development stage of the company are the most important areas to consider before any other thing.

Organizations succeed more with uniqueness rather than uniformity. Uniqueness entails doing things completely different from the usual way adopted by competitors and other organizations. To have uniqueness in methods, procedures, processes and systems, organizations need to have the right caliber of people to bring about these changes to

stimulate them and to live with them for the purpose of gaining a competitive edge and advantage over the competitors. To achieve these, organization must spend a lot on marketing research to achieve uniqueness and product delivery.

If sufficient research is undertaken, then the chances of failure are reduced. Indeed, the danger that many companies wish to avoid is the development of products without any consideration of the market.

Marketing research would lead to higher NPD success, and that the integration of marketing research would be the most important of the factors contributing to success in NPD organization. Companies which use marketing research intensively and understand consumer response in great depth are more likely to have higher success rates. The more extensive use of marketing research appears to be related to more experience in doing NPD and a larger role for new products in the companies. Use of marketing research also allows companies to set quantitative goals for new products, and more carefully evaluate performance after launch.

Also most organizations can be regarded as pace setters or market leaders in their various markets, if only they take time in doing marketing research on New Product Development.

### **5.3 Recommendations**

In order to undertake a systematic product planning and development, in marketing research, the researcher is making the following recommendations.

1. Most company should invest in promotional activities to enable the product sell in the market and to increase the profitability of the company.
2. Also companies should adopt the scientific method of product planning and development within the context of marketing research.
3. Another recommendation that can be put forward is that, more money should be invested in promotional activities to enable the product sell in the market
4. That they should also conduct gap analysis of the existing products by interviewing a representative of consumers to find out their views about the company's existing products before thinking of producing another one.
5. They should also take note of the types of research approach used at the stage which includes monadic approach which is concern with comparing the concept with or against existing market after of the competitors. The Holistic approach of data about the marketing mix variable such as price, promotion package and distribution. Although the companies conduct testing, it may suggestion that the company studies very well the procedure of product testing which varies from company to company and product to product. It is also expensive since it involves raw materials, machinery, and accuracy of new skill production.

Like product testing, marketing test also involve some procedure of which I will suggest companies to adopt to ensure successful marketing test, and take note of the information required during the marketing test.

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## **APPENDIX**

### **QUESTIONNAIRE**

Department of Business Administration,  
Ahmadu Bello University,  
Zaria.

8<sup>th</sup> Nov 2012.

This questionnaire is designed based on the Assessment of the Impact of Marketing Research on New Product Development. Your cooperation is therefore needed in assisting the researcher with the required information and explanation necessary for the accomplishment of the research.

Your response would be used exclusively for this research study and be treated with utmost confidentiality.

Thanks for your co operation

Mohammed Hadiza  
Researcher

## SECTION A

Please tick {√} as applicable and comment where necessary.

1. What cultural beliefs affect the buying habit of the product?

A. Belief [ ]

B. Custom [ ]

C. Values [ ]

D. Social [ ]

2. Which category do you belong?

A. A researcher [ ]

B. A researcher on New Product [ ]

C. A competitor [ ]

D. Consumer [ ]

3. What do you think/consider on New Product?

A. Price [ ]

B. Quality [ ]

C. Company [ ]

D. Quantity [ ]

4. Do you buy any brand of New Product?

A. Yes [ ]

B. No [ ]

C. Sometimes [ ]

D. Not all the time [ ]

5. What factors affect /influence your buying habit of New Product?

A. Belief [ ]

B. Norms [ ]

C. Quality [ ]

D. Taste [ ]

## SECTION B

Please kindly tick {√} as applicable and comment where necessary.

1. Sex

A. Male [ ]

B. Female [ ]

2. Age

A. 20-30 [ ]

- B. 30-40 [    ]
- C. 40-50 [    ]
- D. 50-60 [    ]

3. Does your company's organizational structures have a marketing research department of its own?

Yes [    ]    No [    ]

4. If "NO" which of these department handles marketing research for your company?

- A. Marketing/Sales department [    ]
- B. Accounting department [    ]
- C. Administration/Personnel department [    ]
- D. Production department [    ]

5. If "YES" does marketing decision of the management depends on the outcome of the marketing research activities?

- A. Most times [    ]
- B. Often [    ]
- C. Seldomly [    ]
- D. Rarely [    ]

6. How often does your company undertake marketing research?

- A. Annually [    ]
- B. Semi Annually [    ]
- C. Quarterly [    ]
- D. Occasionally [    ]

7. How can you rate the performance of research activities in your company?

- A. Very High [    ]
- B. High [    ]
- C. Average [    ]
- D. Low [    ]

8. How could you rate the personnel responsible for carrying out marketing research of your company?

- A. Very High [    ]
- B. High [    ]
- C. Average [    ]
- D. Low [    ]

9. What area(s) of the company activities do customers usually complain on?

- A. Price [     ]
- B. Product [     ]
- C. Distribution/Delivery [     ]
- D. Others Specify .....

10. Potential sources of information are available for manufacturing industries in Nigeria through?

- A. Customers [     ]
- B. Salesmen [     ]
- C. Competitors [     ]
- D. Others Specify .....

11. Does marketing research have impact on New Product Development?

- A. Most time [     ]
- B. Sometimes [     ]
- C. Not at all [     ]
- D. Not all the time [     ]

12. Does your company invest in marketing research?



- A. Yes [    ]
- B. No [    ]
- C. Sometimes [    ]
- D. No idea [    ]

13. Does your company adopt marketing research on New Product?

- A. Yes [    ]
- B. No [    ]
- C. Sometimes [    ]
- D. Not all the time [    ]

14. What is your opinion relating to the possibility of marketing research on New Product Development?

- A. Absolutely possible [    ]
- B. Partially Possible [    ]
- C. Impossible [    ]
- D. Absolutely Impossible [    ]

Please kindly indicate how strongly you agree or disagree with the following statement on marketing research as an assessment of the impact of New Product Development in your company?

15. Marketing Research has no significance in our company?

A. Strongly Agree [     ]

B. Agree [     ]

C. Strongly Disagree [     ]

D. Neither [     ]

16. Marketing Research findings usually help in proper utilization of our company resources.

A. Strongly Agree [     ]

B. Agree [     ]

C. Strongly Disagree [     ]

D. Neither [     ]

17. Budgetary allocation to marketing research is inadequate.

A. Strongly Agree [     ]

B. Agree [     ]

C. Strongly Disagree [     ]

D. Neither [     ]

18. Research findings have not yielded any solution to marketing problems of the company most of the times.

A. Strongly Agree [    ]

B. Agree [    ]

C. Strongly Disagree [    ]

D. Neither [    ]

19. Marketing Research is an effective tool for exploiting marketing opportunities.

A. Strongly Agree [    ]

B. Agree [    ]

C. Strongly Disagree [    ]

D. Neither [    ]

20. What additional comment(s) can you give relative to the impact of marketing research on New Product Development?

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