

**ST. MARY'S UNIVERSITY  
SCHOOL OF GRADUATE STUDIES  
MARKETING MANAGEMENT PROGRAM**



**ASSESSMENT ON NEW PRODUCT DEVELOPMENT: THE CASE  
OF MOYA FOOD COMPLEX**

**IN PARTIAL FULFILMENT OF THE REQUIREMENTS FOR THE  
AWARD OF MASTER OF ART DEGREE IN MARKETING  
MANAGEMENT**

**BY:  
HANA NEGASH**

**Feb, 2019  
ADDIS ABABA, ETHIOPIA**

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OF MOYA FOOD COMPLEX**

**A MASTERSTHESIS SUBMITTED  
TO MARKETING MANAGEMENT  
PROGRAM OFFICE  
SCHOOL OF GRADUATES STUDY  
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**APPROVED BY THE COMMITTEE OF EXAMINERS**

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## **Statement of Certification**

This is to certify that **HANA NEGASH WORKU** has carried out his research work on the topic entitled “**ASSESSMENT ON NEW PRODUCT DEVELOPMENT: THE CASE OF MOYA FOOD COMPLEX**” is his original work and is suitable for submission for the award of Masters Degree in Marketing Management.

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**Advisor: Getie Andualem (Dr)**

**Feb, 2019**

**Addis Ababa, Ethiopia**

## **Statement of Declaration**

“ASSESSMENT ON NEW PRODUCT DEVELOPMENT: THE CASE OF MOYA FOOD COMPLEX” is my own paper work and that it has not been submitted before anywhere either at masters level or undergraduate for any award. Any information used from other works has been acknowledged.

**Hana Negash Worku**

Signature \_\_\_\_\_

Date \_\_\_\_\_

**Feb, 2019**

**Addis Ababa, Ethiopia**

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## ACRONYMS

NPD: -New Product Development.

## **Abstract**

*The Major Objective of this study is to investigate whether the company (Mo-YA food complex s.c) new product production process goes with detail or enough research on customer needs and want. in addition to the major objective the student researcher tries to identifies weather the company new products matches with customer expectation ,how the company solve problems related to new product production.*

*Qualitative and quantitative research method was used and questioners and interview were prepared for collecting primary data. Addis Ababa city MO-YA Food Complex s.c final consumers was taken for the study as population, non probability sampling also used .interview were prepped and conducted for marketing managers for the company. Secondary data also used as source for the findings.*

*The result shows that the MO-YA food complex s.c produce new product without making enough research, customer participation in new product development is very much limited. The company new product production idea generation only comes from internal sources.*

*Key words; NPD; New product development; Product, stage gate model, research and development*

## **CHAPTER ONE:**

### **INTRODUCTION**

#### **1.1. Background of the Study**

According to Monga and Anand, 2003: 281; Product is central theme of the entire marketing process. Price, promotion, and place exist because of the product exists. No matter how hard the company tries to inject excellence in to the product. It is successful only when the users are satisfied to the fullest.

Kotler and Armstrong (2006: 274) mention that a firm can obtain new product in two ways. One through acquisition by buying the whole company, patent, or license to produce someone else's product the other is through new product development in the company own research and development department by new product improvement, product modification, and new brand that the firm develops through its own research and development efforts.

Based on Saxena (2002: 226) a new product is any product which is perceived by the customer as being new. This could involve repositioning of offering the exits product at lower price, or making improvement in the existing product, or adding new product item to the existing product line, or for that matter, taking up a product line, which is totally new to the organization or new to the world.

As stated by Donald and Russell (2002: 269) the development of new product typically occurs in stage. At each stage, the product evaluated to determine whether it makes sense to proceed to the next stage. Most product follow pattern such as idea generation, concept development, feasibility screening, concept testing, product development, product testing, market testing and commercialization.

#### **1.2. Background of the Organization under Investigation.**

Mo-YA food complex established in 2007 E.C, it is located in Addis Ababa region around imperial hotel. Until 2010 E.C the company mainly produce 4 types of biscuits which include; Latte, Coco Loops, Cinnamon snaps & the Saint. Starting from 2010 E.C the company added another 4 different types of biscuits which include Chocó chunk, Coco

Drops, Mocha&Ginger Snaps so currently MO-YA Food Complex produces 8 types of biscuits.

### 1.3. Statement of the Problem

Every product seems to go through a life cycle. It born, goes through several phases, and eventually dies as newer product comes along that better serve consumer need. This product life cycle present to major challenges. First, because of all products become decline a firm must be good at developing new product to replace aging once and focus on the challenges of new product development. Second, the firm must be good at adapting its marketing strategy in the face of changing tastes, technology, and competition as product pass through life cycle stage or the challenge of product life cycle stage. (Kotler and Armstrong, 2005: 274)

Moreover, Kotler and Armstrong (2006: 272) mentioned that new products are the lifeblood of organization. However, new product is risky and many new products are failing. Every product passes through several life cycle stages and that each stage passes new challenges requires different marketing strategies and tactics. To create successful new product a company is required to understand consumer, market, competition and develop a product that deliver superior value to the consumer. It must carry out strong new product development process for finding and growing new product.

The student researcher reveals right with the aforementioned requirements. Currently the company produces new product without making detail or enough research on customers need and want. The Company does not work on changing customers negative perception about their product; the organization produce new product almost the same as the existing products. When it produces new biscuits, the company focuses on satisfying variety seeking customers. In addition, when the company involve in auction to purchase the inputs they will buy inputs that have poor quality because they want to reduce their cost. Moreover the company uses less promotional practice for existing and new products, finally the company use mostly internal source of idea generation.

As the company's currently practice seen in light with the aforementioned requirements some gaps observed, that is significant enough to conduct this study. The problems stated as follow, the company has failure on making research on customers need and want before producing new product. Even if the company knows that, their customers have negative perception about their product rather than changing customer perception they produce new product for the existing market. In addition to these problems, the company also has a

deficiency on using quality input also there are Product differentiation related problems, the company have no Research and Development department plus does not fund enough budget for Research and Development, not use modern technology as well awareness creation problem about their new product before and after the product launch to the market. Finally, only using internal source of idea generation is also big problem of the organization because they may lose potential and many good ideas from external source. Viswanathan & Dicksson (2007) argue that success of new products depends on three factors: transformation of competitive advantages between local markets, differences in customer preferences and business environment. These factors will be reviewed in chapter two of this study.

#### **1.4. Research Questions**

Based on the above problem student researcher will answer the following basic research questions.

1. Does the company's new product match with consumer's expectation?
2. What are the encounters and prospect that the organization faces in developing new product?
3. How the company's solve the problem of new product failure?
4. How the company's seek to improve its product?

#### **1.5. Objective of the Study**

##### **1.5.1. General Objective**

The overall objective of this study is to assess the practice of new product development in case of MO-YA Food Complex.

##### **1.5.2. Specific Objective**

The specific objectives of this study are;

- To investigate the extent to which company's new product match with customer's expectation.
- To identify challenges and prospect that the company face when developing new product.

- To identify how the company, solve the problem of new product failure.
- To examine the company's activity in improving its product.

### **1.6. Significance of the Study**

In this research, the student researcher tried to show the gap between the company's new product development practice and what the theory says about new product development. This study conducted with the conviction that employee and management of the company will be aware about what they have to follow to be effective and efficient on their product development practice. Furthermore, this research will be a blue print for other student researchers who would like to study further on the title of new product development. Mostly this research is important for the student researcher to translate what he has learned in to practice.

### **1.7. Scope of the Study**

This study focused on an assessment of new product development practice in case of MO-YA food complex which produces Biscuit. In particular, this research focused only on final customers that are located in Addis Ababa, because it requires much time and huge amount of finance, so that this study will focus only on Addis Ababa region, head office of MO-YA food complex specifically Mexico, Gotera, Gofa and Saris will be target location of the Study because this sites are more accessible and easy to find MO-YA biscuit final customers to participate in this study, this geographical areas are more manageable for student researcher in addition in this location there are many local retailers who sell Moya biscuit. To make the study more manageable, to get current information, to make it reliable, and to update the researches that conducted by this title, thus the student researcher limited the time from 2017-2018.

### **1.8. Limitation of the Study**

During the preparation of this study, the student researcher face some constraints by various restrictions among the limitations, some major once includes lack of finance and adequate time; some customers are reluctant to fill the questionnaire and also the staffs of the organization hide confidential information that could assist this study.



### **1.9. Organization of the Study**

The study is organized in five chapters. The first chapter includes background of the study, Background of The Organization under Investigation, statement of the problems, research questions, Objectives of the study, significance of the study, scope of the study, limitation of the study, definition of terms and organization of the study. In the second chapter literature review is viewed. The third chapter deals with research design and methodology. The fourth chapter deals with Analysis of Qualitative & Quantitative data. The last chapter deals with summary, conclusion & recommendation.

## **CHAPTER TWO**

### **2. REVIEW OF RELATED LITERATURE**

In this chapter theoretical review, conceptual framework and empirical review of the study are briefly highlighted

#### **2.1. THEORETICAL FRAMEWORK**

##### **2.1.1. Attributes of Product**

Product is a set of basic attributes assembled in an identifiable form. Each product identified by a commonly understood descriptive or generic name. A product is a set of tangible and intangible attributes, which may include design, colour, packaging, price, quality, and brand, plus the seller service and reputation. A product may be a good, service, or idea. In a sense, customers are buying much more than a set of attributes when they buy a product. They are buying want satisfaction in the form of product. (Etzel et.al, 2004:208).

##### **2.1.2. Importance of Product**

According to Kotler and Armstrong (2010: 222) new product are important to both customer and the marketer who serve them. For companies, new products are the key source of growth. For customers, they bring new solution and variety for their lives. Yet innovation can be very expensive very risky.

##### **2.1.3. New Product Development**

According to Lehmann and Winer (2005: 267) new product can be introduced for either offensive to gain sales, share or defensive to match or block competitor's purpose. In addition, firm can obtain new product in two ways. One through acquisition by buying the whole company, patent, or license to produce someone else's product the other is through new product development in the company own research and development department by new product improvement, product modification, and new brand that the firm develops through its own research and development efforts.(Kotler and Armestrong,2006:274).

##### **2.1.4. Importance of Product Innovation**

According to Kumar (2003: 76) the importance of product innovation are, Product innovation satisfies its customers while making profit, it enables the company to sell good product in the long run product innovation is quite helpful in product life cycle, increased consumer selectivity had led to innovated new product, it also help to protect the environment by

bringing out good packaging that are better for the environment in their manufacture, use, and disposal.

#### **2.1.5. Type of New Product**

According to Lamb and et.al (2004: 316) new product can be categorized in to; New to the world Products -also called discontinuous innovation these products create an entirely new market. New to the world products, represent the smallest category of new products. New Product Lines -these products which the firm has not previously offered, allow it to enter an established market Additions to existing product Lines- this category include new products that supplement a firm's established line. Improvements or Revision of existing Products- the new and improved product may be significantly or slightly change. Most new products fit into the revision or improvement category. Repositioned Products-these are existing products targeted at new markets or market segments. Lower-Priced Products- this category refers to products that provide performance similar to competing brands at a lower price.

#### **2.1.6. Factor Influencing Product Development**

Based on Beri (2000: 378) a company may find itself in a situation where it may be advisable to develop a new product. When sales of its current range of a product have been decline over the past few years or where it receives complaints about its product from customers, distributors, retailers, it may have to find the possible reason for the improving of existing product or the development of all together new product. In addition, the concept of product life cycle suggest that a product pass through different stages when a company find that some of its product have entered the decline stage; it may have to take concern measures to replace them. This can be achieving in two ways; acquisition and innovation.

#### **2.1.7. New-Product Strategy**

According to Etzel and others (2004: 220) new product strategy is a statement identify the role of a new product is expected to play in achieving corporate and marketing goal. A new product might be design to protect market share, meet a specific return-on-investment goal, or establish a position in new market. On the other hand, new products role might be it maintain the company's reputation for innovation or social responsibility. If the company goal is to defend market share, product strategy must be introducing an addition to an existing product line or revise an existing product or if the company's goal is to strength a reputation as an innovator, product strategy will be introduce really new product not just an extension of an existing one. In addition, a new product strategy can also help the company avoid the

problem of numerous products under development but few actually becoming ready for the market. The priority in the strategy can be used to determine which prospect products should need special attention, which should go on the “back burn”, and which should be scrapped.

In addition, Baker (2000:316) mention that new product development should be guided by new product strategy, it is important that the strategy is not so prescriptive as to restrict, or stifle, the creativity necessary for new product development. In addition to stating the level of newness, a new product strategy encompasses the following

**Technology and Marketing;** this is seen as a dichotomy between allowing the market to pull new product from companies and companies pushing new technology to the market. The advantage of the former one is that new product, derived from customers, are more likely to meet their need, while the advantage of the latter is that new technology will meet needs more effectively and will be hard for competitors to emulate, leading to greater sales, profit and competitive advantage for longer period of time. Each however, has disadvantage. With new product development through market pull, there is a greater tendency of the new product to be better than existing product, leading to product proliferation, possible cancellation of brands. With technology push products, there is the risk that the new technology is not, in fact, relevant for customers and is rejected by them. As ever, the emphasis should be on achieving a balance between the two. Baker (2000)

**Product advantage;** product strategy that emphasizes the search for different advantages, through the product itself, it may comprise the following elements: technical superiority, product quality, product uniqueness, product attractiveness. Baker (2000)

**Synergy;** is the relation between the new product development and existing activities, known as the synergy with existing activity. High levels of synergy are typically less risky, because a company will have more experience and expertise, although perhaps this contradicts the notion of pursuing product differentiation. Baker (2000)

**Risk acceptance;** finally, the creation of an internal orientation or climate which accept risk is high limited as a major role for new product strategy. Although synergy might help avoid risk association with lack of knowledge, the pursuit of product advantage must entail acceptance that some project will fail. Baker (2000)

## 2.2. Empirical Review

### 2.2.1. NPD Process and Model

Experts argue that the easiest types of NPD are the ones that aim to reduce costs or improve existing products in view that product technologies and markets are well-known (Jorgensen & Messner, 2009). On the other hand, the hardest way of new product development is the new entries and new to the world products. In view that markets and technologies are new for the company such NPD processes require much time and effort. (Crawford & Benedetto, 2008)

NPD has evolved considerably in the last 30 years. During this time, however, the focus of the process was shifting from one aspect to another. Thus, during the 80's the main aspect for companies was the quality of their product; in 90's they were more concerned about the re-engineering; and nowadays companies emphasize more on the aspect of "time to market", shorter time between developing of a new product and its launch to the market, companies that are not able to launch a new product to the market fast, might lose the competitive advantage (Lewis & Wong; 2004).

Cooper and Edgett (2010) there are five stages and five stage-gates in their model. The authors argue that such a stage-gate model —is a conceptual and operational road map for moving a new-product project from idea to launch. Stage-Gate divides the effort into distinct stages separated by management decision gates (gate keeping). Cross-functional teams must successfully complete a prescribed set of related cross-functional activities in each stage prior to obtaining management approval to proceed to the next stage of product development.

However in the latest study Robert Cooper explains that the Stage-Gate model is a process that can be modified depending on the complexity and size of the project. For instance in a low risk project the stage one and two can be assessed together, continuing with stages three and four and concluding with the fifth stage. This system would have three gates instead of five (Cooper; 2013).

Other author Mac Cormack et al. (2012) fully supports the idea of companies modifying the Stage-Gate model in accordance with their needs. In a shorter process the company would save time, money and would be accessible for all different types of projects. One product development or launch process would not be reliable if it is always requiring the same steps. Different products have different characteristics and naturally they differ in the requirements.

Such claim has been also studied by different authors who have come up with the same conclusion; one strategy does not fit to all products (Mac Cormack et al.; 2012).

(Crawford and Benedetto; 2008, Shepherd and Ahmed; 2000) also agree that the idea of companies modifying the Stage-Gate model in accordance with their needs that there are some review points between these phases where everyone who is involved in the process meet together and discuss the development of the process.

Cooper (1990) strength that new ideas can come from customers, consumer complains, by brainstorming with marketing, sales and technical staff. The ideation activity that a company undertakes to generate a set of product concept represents the concept generation.

### **2.2.2. NPD Marketing Mix**

Many researchers agree that product strategy play a critical role in a company's performance in the global market. Two main approaches to product strategy can be found: to develop products (standardization) or to adapt products specifically to each market (adaptation) (Zou&Cavusgil, 2002; Ranchhod & Gurau, 2007; Powers & Loyka, 2010).

Furthermore researcher review factors that influence this decision. Focus of this study however will be on product strategy as well as the rest of elements of marketing mix. Given the importance of product adaptation in international markets theoretical review of these elements can give valuable inputs for NPD process understanding and analysis: necessity of product adaptation influences process of technical stages of NPD process while necessity of promotion, distribution and price adaption are important issues during marketing strategy development and launch stages.

Marketing strategy is global if product offering, promotion, price and distribution across different countries are standardized. Proponents of this perspective argue that customers all over the world have some similarities that created by advanced communication technology and transportation (Levitt, 1983; Zou & Cavusgil, 2002).

Viswanathan & Dicksson (2007) argue that success of new products depends on three factors: transformation of competitive advantages between local markets, differences in customer preferences and business environment. These factors will be reviewed below.

Ability to transfer competitive advantages can be illustrated with an example. The low price of the product on the market "A" can be perceived as high by customers from the market "B".

In this case price should be adapted to the market B in order to save this competitive advantage. The sources of competitive advantage can be found in a product itself or in other marketing mix elements (Viswanathan & Dicksson, 2007).

Authors argue also that customer homogeneity should be perceived not as similarity in customer needs, but similarity in customer response to marketing mix. Customers of market “A” perceive a product as one with high quality as well as customers from market “B”. In this case the product can be introduced to the market B without any changes, so standardized product strategy can be implemented. But in a case of different quality perception between markets “A” and “B” some adaptation of marketing mix elements will be required. Homogeneity in all four elements should be examined (Viswanathan & Dicksson, 2007).

Taking a contrary view Zou and Cavusgil (1993) suggest that such factors as technology, culture, competition, and international experience of the company should be reviewed in order to take decision about standardization/adaptation strategy. Thus technology intensive industry should seek to standardization of a product and promotion in order to take advantages of the economies of scale. If the product reflects culture differences among customers, than it needs to be adapted. In case of high competition in the market, all marketing mix elements should be customized for a better integration of the customer. However, in a case of superior product, strategy of standardization can be implemented; Finally, a company can implement standardization strategy to the market if it does not possess enough information about this market in order to implement some adaptations (Zou&Cavusgil, 1993).

Levitt (1983) argues that price must be the most difficult element of the marketing mix for standardization. Suggest to use “premium pricing” when demand for the product is strong and competition is weak; and use “competitive pricing” strategy when demand is weak and competition is high. Pricing adaptation usually depends not only on costs but on competitors’ prices, local taxes and local market factors.

In addition Thomas L. Powers and Jeffrey J. Loyk (2010) indicate that distribution is significantly influenced by internal company factors such as subunit cooperation and others. Place adaptation involves changes in distribution, inventory, and transportation decisions in local markets. Promotion adaptation can be closed connected with product adaptation. It is often related to culture differences among countries, religion, regions, differences in customer’s consumption process, language and so on. Authors also found that the

productitself is the most global element of marketing mix that does not require so much adaptation as other elements. While distribution appeared to be the most local element with the highest need of adaptation. (Thomas L. Powers and Jeffrey J. Loyk; 2010)

### 2.2.3. NPD Team

#### **Importance of this sub-part**

As it can be seen through, the role of the personnel who are involved in the NPD process is significant and these empirical concepts provide significant inputs for this study. This part presents empirical framework regarding the different roles of experts who are involved in the NPD process, and for further reference the detail establish in the conceptual framework.

This issue was reviewed in view that student researcher believe that the personnel has a significant role in the NPD process and there is some different between Mo-YA food complex new product team and what the theory says. In addition, student researcher used to answer my research question since how is NPD process managed in the company. For the purposes of this research, an expert who has this position and involved in the NPD process was interviewed.

Different authors divided NPD team into four parts: role of top managers, role of project managers, role of product developers and role of the marketing.

Many researchers (Lewis & Wong; 2004, Barkley; 2007) underline the fact that the top management of a company is the starting point of the NPD process. Top managers must create excellent conditions for the project team. They should give enough resources for the development of the project and keeping the milestone unchanged through the life-time of the project. (Lewis & Wong, Accelerated Project Management, 2004) On the other hand, however, the top management should not be involved too much in the management of the NPD process. "Projects are no more successful in the marketplace than other projects despite the added support of the top management" (Milton, Griffin, Castellion, &Anschuetz, 1996)

Richman (2002) argues that a successful project manager has to be strong in five areas. People skills, Integration skills, project management skill, Technical skills, knowledge of organization, Integration skills these skills are important because they assuring planning and managing the project



Clark and Fujimoto (1991) concluded in their article that there are some models of integration of product manager's work Traditional functional structure, Lightweight product manager, Heavyweight product manager, Project execution team structure

Crawford and Benedetto (2008) say that "the role of the marketing personnel changes and accelerates as the product nears the end of the development phase and moves closer to launch" Marketing experts are usually involved into the NPD process from the beginning, as they should handle the market for that product (Crawford & Benedetto, 2008).

## **2.3. Conceptual Framework**

### **2.3.1. New Product Development Processes**

#### **Idea Generation**

Based on sexena (2002: 228) the process of new product development starts with the search for product idea. To be successful, it is important that this search should not be casual. The top managements should spell out corporate mission an objective for new product.

#### **➤ Source of New Product Ideas**

Based on sexena (2002: 228) source of new product development includes; Customers: Customers are sometimes able to discuss their requirements and offer ideas that will meet those problems. Competitors: Systematic comparison or bench marking with the competition may offer good source of new product ideas. Distributors: Suggestions from distributors and their problems in handing present products often thrown up new ideas. Creative techniques: Brainstorming, focused interviews, and technological forecasting enable one to find out the latent capabilities of innovations. External world: The external world, especially the use of their technology, offers a good source of ideas for implementation in the home market. Research and development: Create new product ideas through R&D.

From initial generation of ideas to full commercialization and well into the mature age of a product, the developers should strive to control what is in their power to control a do to monitor what is beyond their control. No single fact of new product development can assure success. Few facts are so detrimental that they are cannot be at least alleviated. Because of the probabilistic nature of new product development, planning and assessments must consider long-term repercussions.

## **Idea Screening**

Kumar and Mittal (2001: 172) the purpose of idea generation is to create a large number of ideas. The purpose of the succeeding stage is to reduce that number. The first idea reduce stage is idea screening, which help spot good ideas and drop poor ones as soon as possible. Product development cost rising greatly in later stage, so the company want to go head only with a product idea that are mostly likely to turn in to profitable products.

## **Concept Testing**

When the idea moves pass the screening step, it is evaluate more carefully. Getting reaction from customers about how well a new product idea fits their need. Concept testing use marketing research, such as, ranges from informal focus group to formal survey of potential customers. Companies can often estimate likely cost, revenue, and profitability at this stage. In addition, market research can help identifying the size of potential market. Even informal focus groups are useful, especially if they show that the potential users are not existed about the new idea. If results are discouraging, it may be best to kill the idea at this stage. (Perreault and McCarth, 1999: 284).

## **Business Analysis**

It involves specifying the features of the product and the marketing strategy needed to commercialize it and making necessary financial projection. This is the last checkpoint before significant capital is invested in creating a prototype of the product. Economic analysis, marketing strategy review, and legal examination of the proposed product are conduct at this stage; it is at this point that the product is analyzed relative to existing synergy with the firm's marketing and technological strengths. The marketing strategy review studied the new product idea in relation to the marketing program to support it. The proposed product is assessing to determine whether it will help or hurt sales of existing products. Likewise, the product is examined to assess whether it can be sold or through existing channels or if new outlets will be needed. Economic consideration focused on several issues, starting with cost of R&D, production, and marketing. For financial projection, the firm also forecast the possibility revenue from future product sales and forecast market shares.( Berkowitz and others, 1994:305).

## **Product Development**

According to Kotler and Keller (2012: 585) Up to now, the product has existed only as a word description, a drawing, or a prototype. The next step represents a jump in investment that dwarfs the costs incurred so far. The company will determine whether the product idea can translate into a technically and commercially feasible product. If not, the accumulated project cost will be lost, except for any useful information gained in the process.

## **Market Test**

According to Lehmann and Winer (2005: 267) the purpose of such test is to; predict sales and profit from major product launch, and practice so that marketing, distribution, and production skill are developed before entering full scale operations. Several decisions must make.

According to Lehmann and Winer (2005: 267) Action standard; Standard for evaluating the result should be set up in advance. This standard should specify when the various possible decisions on stop the test, continue the test, revamp the product, go national will be implemented. Where to test; the choice of where to test market is a serious problem, so that the firm have to be seriously focus on the where the market have to be tested. How long; The question of how long to run a test is not easily answered. Obviously, a long run give more information, but it is also cost more and gives competitors more time to formulate a counterattack. Repeat usage as well as trial can be accurately assessed. Cost; for a consumer package good, test marketing cost, advertising, and promotion costs. Information gathering; during test market, a variety of information is gathered, most of it related to actual sales.

## **Commercialization or Launch**

This is the final stage of the initial development process and is very costly. Decision such as when to launch the product, where to launch it, how to launch it and to whom based on information collected through the development process. Launch strategy includes any advertising and trade promotion necessary. The sales force may require extra training in order to sell the new product effectively. (Baker, 2000:319).

### **2.3.2. New Product Life Cycles Strategy**

After launching new product, management wants the product to enjoy a long and happy life. Although it does not expect the product to sell forever, the company wants to earn a decent profit to cover all the effort and risk that want in to launching it. Management is aware that

each product will have a life cycle, although the exact shape and length is not known in advance. The product life cycle have five distinct stages.

## **Introduction**

During the first stage of product life cycle, it is launched into the market in a full scale promotion and marketing program. The entire product may be new or the basic product may be well known but have a new features or accessory that is in introduction stage. Strategy for entry stage; in the management of product life cycle, a crucial question concerns the timing to entry into the new market. Should we enter during the introductory stage or should we wait and plunge in during the early part of the growth stage, after innovation companies have prove that there is a viable market. (Etzel and others, 1999:200).

Kumar and Mittal (2001: 170) one of the crucial decisions to be taken in the market pioneering stage is the price strategy to be adopted for the product. No past data or comparisons are available and the firm normally options for one of the following pricing strategy. **Market skimming:** the skimming strategy involve high price, taking advantage of early entry. **Market penetration;** penetration pricing will involve low price with the view of having a good market coverage and eventually by mass market for the product.

## **Growth**

In the growth stage or market acceptance stage, both sales and profit rise, often at rapid rate. Competitors enter the market in large number if the profit outlook is particularly attractive. Sellers shift to a secondary demand rather than primary demand promotional strategy. The numbers of distribution outlets increase, economics of scale are introducing, and price may come down a bit. Typically, profit start to decline near the end of the growth stage. (Etzel and et.al, 1999: 200).

## **Maturity**

During the first part of this period sales continue to increase, but at a decreasing rate. While sales are levelling off, the profit of both producer and retailers are declining, marginal producers are force to drop out of the market, price competition intensifies, and the producer assumes a greater share of the total promotion effort in a fight to retain dealers and shelf space in their stores. New model are introduce as producer broaden their lines, and trade in sales become significant. Strategy for maturity stage, a product line maybe extending during

the maturity stage of its life cycle by making product modification, design new promotion, or devising new uses. (Etzel and et.al 1999: 200).

## **Decline**

Based on Kumar and Mittal (2001: 172) at the decline stage, the sales begin to fall, the demand for the product shrinks probably due to new and functionally advanced products becoming available in the market or the market become apathetic to the product. In any case, price and margin get depressed; the total sales and the profit diminished. The strategy for decline stage; the strategy will depend on the companies. Some firms at this stage may try to link the sales of this product with some other premium products they have developed and thus try to stretch out the life of a product but most firms perceive properly the impending; total decline and prepare for the gradual stage phasing out of a product. Successful firms quite often keep new product ready in a line to fill the vacuum created by the decline of existing product.

### **2.3.3. Buyer Decision Process for New Product**

According to Kotler and Armstrong (2006: 160) buyers may pass quickly or slowly through this stage, and some of the stages may even be reverse. Much depend on the nature of the buyer, the product, and buying situation. So that, Adaptation process is the mental process through which an individual passes from first learning about an innovation to final adaptation and adaptation as the decision by individual to become regular user of the product.

### **2.3.4. New Product Adoption and Diffusion**

The likely hood of achieving success with a new, especially a really innovative product, is increased if management understands the adoption and diffusion processes for that product. Once again, we stress that organizations need to understand how prospective customers behave. The adoption process is the set of successive decision an individual person or organization makes before accepting an innovation. Diffusion of a new product is the process by which an innovation spreads through out a social system over time. By understanding these processes, an organization can gain insight into how a product is or is not accepted by prospective customers and which groups are likely to buy a product soon after it is introducing, later on, or never. This knowledge of buying behaviour can be valuable in designing an effective marketing program. (Etzel and other, 2004: 225).

### **2.3.5. Stages in Adoption Process**

According to Kotler and Armstrong (2006: 160) consumers go through five stages in the process of adopting new product. Awareness- The consumer becomes aware of the product, but lacks information about it. Interest-The consumer seeks information about the product. Evaluation-The consumer considers whether trying the new product makes sense. Trial- The consumer tries the new product on small scale to improve his or her estimate of its value. Adaptation-The consumer decides to make full and regular use of new product.

### **2.3.6. Factors Influencing the Adoption Process**

Marketers recognize the following characteristics of the adoption process differences in individual readiness to try new products, the effect of personal influence, differing rates of adoption, and differences in organizations' readiness to try new products. Some researchers are focusing on use diffusion processes as a complement to adoption process models, to see how consumers actually use new products.(Kotler and Keller ,2012:589).

### **2.3.7. Stages in Adoption Process**

Based on Kotler and Keller (2012: 589) the degree to which an individual is relatively earlier in adopting new ideas than the other members of his social system. Some people are the first to adopt new product. After a slow start, an increasing number of people adopt the innovation, the number reaches a peak, and then it diminishes as fewer non-adopters remain. The five-adopter groups differ in their value orientations and their motives for adopting or resisting the new product.

Based on Kotler and Keller (2012: 589) Innovators - are technology enthusiasts; they are venturesome and enjoy tinker with new products and mastering their intricacies. In return for low prices, they are happy to conduct alpha and beta testing and report on early weaknesses. Early adopters - are opinion leaders who carefully search for new technologies that might give them a dramatic competitive advantage. They are fewer prices sensitive and willing to adopt the product if given personalized solutions and good service support. Early majority - are deliberate pragmatists who adopt the new technology when its benefits are proven and a lot of adoption has already taken placing. They make up the mainstream market. Late majority are skeptical conservatives who are risk adverse, technology shy, and price sensitive. Laggards are tradition bound and resist the innovation until the status quo is no longer defensible.

### 2.3.8. New-Product Failure

According to Kotler and Keller (2012: 570) products are fail by many reasons, ignored or misinterpreted market research; overestimates of market size; high development costs; poor design or ineffectual performance; incorrect positioning, advertising, or price; insufficient distribution support; competitors who fight back hard; and inadequate payback. Some additional drawbacks.

### 2.3.9. NPD models by Crawford and Benedetto

Nowadays we can find many models of the NPD processes. One of such models was proposed by Crawford and Benedetto (2008). The authors argue that their model can be used as an initial model for the NPD process in all types of companies. Below Figure illustrates this model.

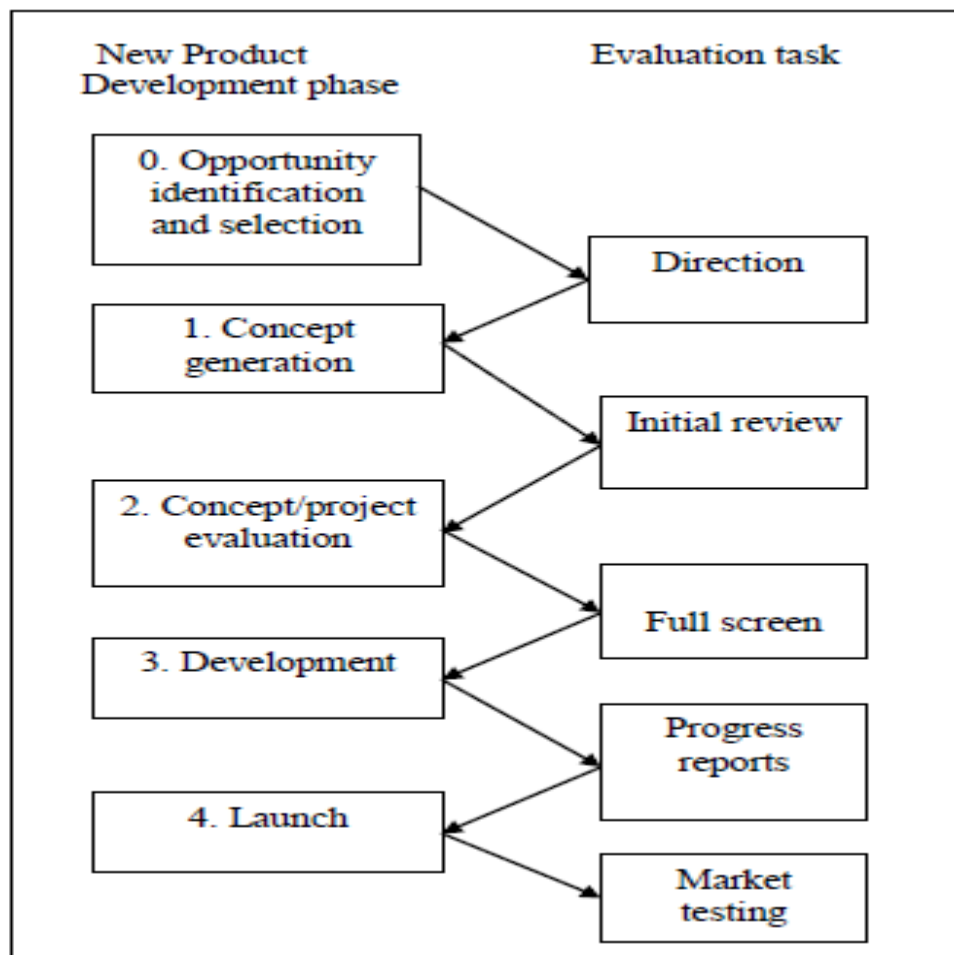


Figure 1:NPD model by Crawford and Benedetto (2008)

As we can see, there are five main phases in this model (figure 5). Crawford and Benedetto (2008) argue that there are some review points between these phases where everyone who is involved in the process meet together and discuss the development of the process.

### 2.3.10. NPD model by Shepherd and Ahmed (2000)

In addition, the model proposed by Shepherd and Ahmed (2000) who also agree that stage-gate process should be reviewed by the company requirement. They have proposed these gates as a tool for companies to develop a strong NPD process.

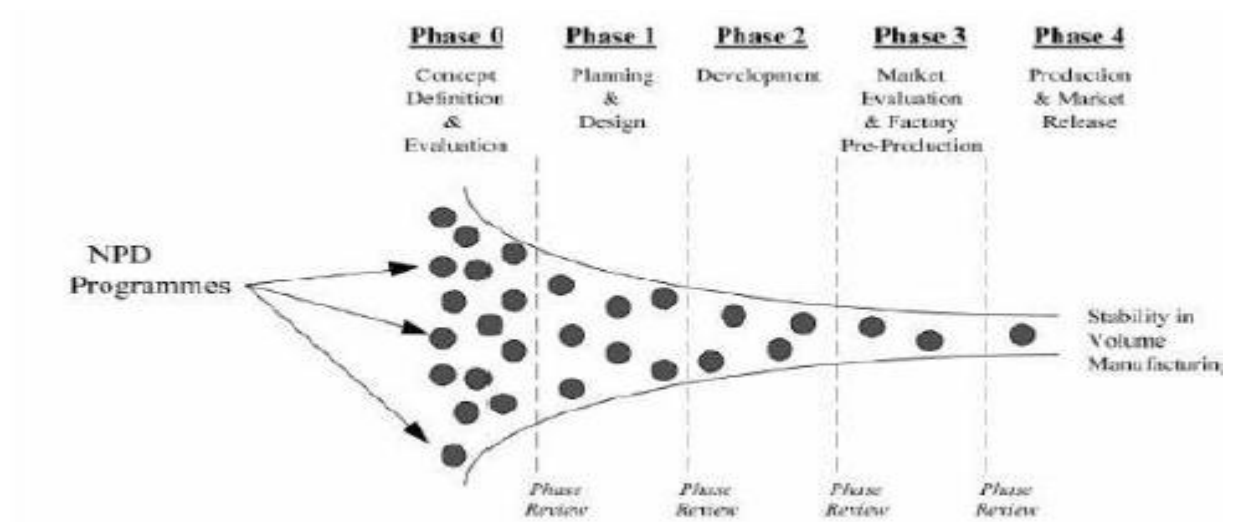


Figure 2: NPD model by Shepherd and Ahemd (2000)

Shepherd and Ahemd (2000) describe the NPD process as a tunnel, as it can be seen in figure 6, where numerous ideas are gathered at the beginning, but just a few of them can reach the end of the process.

### 2.3.11. Stage gate model by Cooper and Edgett

This part starts with presentation of three different models of NPD. It is continued by choosing one of these models by Cooper and Edgett, (2010) which analyzed in more details used further for the purposes of this research as basement.

The Stage Gate model is an organized, structured product development and launch process which is used to decrease the product failures and increase the success of the companies in launching new products. The Stage gate model is a proven successful method and many international companies have been using it when launching new products. International Paper, which is world's largest player in pulp and paper industry, is using use Stage Gate process in managing the development and launch



of new products. This reference makes the Stage Gate model more relevant to this case study. (Cooper 2001)

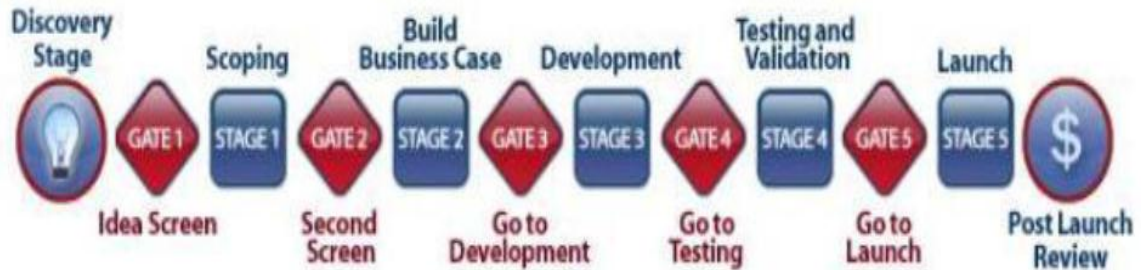


Figure 3: the typical Stage Gate model – from discovery to launch Cooper and Edgett (2010)

As it was stated at the beginning of this part, the NPD model presented by Cooper and Edgett (2010) was used for this research. Researcher can see presented models as similar to each other. Nevertheless student researcher found that this model better describes all the processes during each step of NPD and thereby provides most valuable input for my research. The stage-gate part of the model was illustrated with the study of Cooper and Edgett (2010), in view that the focus of this study was stage-gate part of the NPD process.

## **CHAPTER THREE**

### **3. RESEARCH DESIGN AND METHODOLOGY**

In this chapter research approach, research design, population and sampling design , source of data collection methods, validity and reliability, data analysis methods and ethical issues addressed

#### **3.1. Research Approach**

According to Babie (2009) there are three types of studies according to their purpose: exploratory, descriptive and explanatory. The first one is used in order to clarify some concepts, find explanations, assess phenomena or seek for new insights. The main goal for such research is to develop a theory. Such kind of research is known as a very flexible one. Second type of research, the descriptive one, seeks to describe people, events or situations. The researcher must have a clear picture of phenomena before conducting the research. Thus all required changes must be done before the process of research has started. The last type, explanatory research, provides the cause and effect relationships between variables (Babie, 2009)

Student researcher applied both the quantitative and qualitative methods. Because it would enable the student researcher to gather and depict descriptive information and provide information for formulating more sophisticate studies this researches are valuable in: providing facts on which scientific judgments may be based, providing essential knowledge about the nature of objects and persons, for closer observation into the practices, behavior, methods and procedures, playing a large part in the development of instruments for the measurement of many things, formulating of policies in the local, national or international level (Calmorin and Calmorin; 2007)

#### **3.2. Research Design**

Based on the fact that the objective of this research is to realize NPD process, primarily qualitative research chosen as a research method but it's not mean that quantitative research method is forgotten because student researcher used quantitative method to support the interview response and also increase reliability, accuracy of the finding by distribute questionnaire for end users and consider it as customers feedback. So that student researcher applied both the quantitative and qualitative methods

The main difference between quantitative and qualitative data is the difference between numerical and non-numerical data. (Babbie, 2009; Kent 2007) Quantitative research requires gathering of numerical data that can be studied in a less biased statistical way. The main advantage of quantitative research is ability to count gathered data and to implement some statistical models. Quantitative research is characterized by deductive relationship between theory and research (Bryman, 2007) that means that a researcher should have understanding of a researched issue before starting the measurements. Finally, a set of numbers will be collected and after a statistical analysis they will lead to results. Qualitative research is the one that emphasizes words rather than quantification during collection and analysis of data. Qualitative research stresses on the understanding of the words rather than numbers and seeks to answer “why” and “how” questions. Kent clarify Compared to quantitative data, the qualitative one is, from one hand, richer and more detailed, and from the other hand, contains information from much less number of respondents, potential of its creativity as the main strength of qualitative data. Further, open ended questions and subjective nature of qualitative research is strength. The qualitative research is going beyond the description on a general level to a more detailed and full research (Kent, 2007).

### **3.3. Population, Sampling Technique and Sample Size**

#### **3.3.1. Population**

In this survey, marketing manager and final customer who use or consume biscuits of Moya food complex considered as participant of this study. In addition, interview with the marketing manager considered. Because of customer population size is infinite, or it is difficult to list down all population, only selected population were participant of this study. Among the non-probability approach the student researcher used convenience or accidental sampling technique because it uses for testing and gaining idea or rough impression about subject of interest.

#### **3.3.2. Sampling Technique**

In order to find a proper sample technique, one out of two approaches should be chosen: probability or non-probability sampling approach. The main difference between two of these techniques is the fact that in the first case the chance of each unit being selected from the population is known and usually this chance is equal for all units. In contrast, the probability of each unit from the non-probability population is not known, so generalization will be done

not on statistical grounds (Saunders, 2007). Often qualitative researches are associated with usage of non-probability sampling, even though probability sampling is used sometimes as well (Bryman, 2007).

Because of customer population size is infinite, or it is difficult to list down all population, only selected population were participant of this study. Among the non-probability approach the student researcher used convenience or accidental sampling technique because it uses for testing and gaining idea or rough impression about subject of interest.

### 3.3.3. Sampling Size

Based on the recommendation provided by Yamane (1967), with respect to non-probability sampling approach when the population of the study is not defined and for large population size, although tables can provide a useful guide for determining the sample size, you may need to calculate the necessary sample size for a different combination of levels of precision, confidence, and variability. When the population is more than 100,000 for Precision (e) of  $\pm 6\%$  and Where Confidence Level is 95% and  $P=0.5$  and to determine sample size (no) it's applicable to use one of several formulas (Yamane, 1967).

For populations that are large, Cochran (1963) developed the Equation to yield a representative sample for proportions. Which is valid where (no) is the sample size, Z is the abscissa of the normal curve that cuts off an area  $\alpha$  at the tails ( $1 - \alpha$  equals the desired confidence level, e.g., 95%), e is the desired level of precision, p is the estimated proportion of an attribute that is present in the population, and q is 1-p. The value for Z is found in statistical tables which contain the area under the normal curve (1.96).

$$n_0 = \frac{Z^2 pq}{e^2}$$

So that student researcher by use recommendation by (Cochran; 1963) determine sample size as follow. Taking 95 % confidence level Z is termed to be 1.96, with a precision of  $\pm 6\%$  and assuming  $p=0.5$  and q is 0.5 Putting the figures in the equation the sample size is determined to be 266. This means that two hundred sixty-six (266) customer respondents have been taken as a reliable sample size for this study; more specifically Mexico, Gotera, Gofa and Saris were target location of the Study because this sites are more accessible and easy to find

Moyabiscuit final customers to participate in this study, this geographical areas are more manageable for student researcher in addition in this location there are many local retailers who sell Moya biscuit.

### **3.4. Type of data Collected**

Student researcher employed both primary and secondary data for this study. The primary data collected from final customer and the marketing manager of Moya food complex. In addition to the primary data student researcher used secondary data that obtained from different sources and publications such as company's annual report, book, internet, journal, articles etc.

### **3.5. Method of data Collection**

Kent highlights such qualitative research methods as interviews, observation, ethnography, consultation and focus groups (Kent, 2007).

To support the research findings by primary data the student researcher collected the primary data through questionnaire and guide interview. The questionnaires distributed to the company's final customers and the interview conducted with the company's marketing manager.

### **3.6. Data Analysis Method**

Methods and approaches of qualitative data analysis depend on the nature and purpose of the research (Babbie; 2009). The data analysis techniques employed for this study was mainly descriptive. Data entered in SPSS and arranged for statistical analysis. After that student researcher interpreted the results so as the information can be put in use of decision making.

Data analysis is important in interpreting the results so that the information can be put in use of decision making. As a result, the response from the quantitative method put in terms of frequency, percentage, standard deviation and mean has been presented and table, also interview and open-ended responses put in content analysis

### **3.7. Validity and Reliability Test**

#### **3.7.1. Validity**

Validity is concerned with whether findings are really about what they appear to be Saunders et al. (2003). It is defined as the extent to what data collection method or methods accurately

measure what they were intended to measure Saunders et al. (2003). In this study the Questionnaire pre tested before starting the survey and questionnaire tested by 15 persons who have the knowledge on how to prepare a questionnaire for a research. This makes the student researcher to be guarantee about the research validity

### 3.7.2. Reliability

As Andrew, Pedersen, and McEvoy, (2011) adopted from (Nunnally and Bernstein, 1994), a popular method for measuring the internal consistency reliability a group of items is Cronbach's alpha coefficient, often referred to as simply Cronbach's alpha or Cronbach's  $\alpha$ . In short, Cronbach's alpha measures how well a set of variables or items measures a single, uni-dimensional latent construct. It is essentially a correlation between the item responses in a questionnaire; assuming the statistic is directed toward a group of items intended to measure the same construct, Cronbach's alpha values will be high when the correlations between the respective questionnaire items are high. Cronbach's alpha values range from 0 to 1, and, in the social sciences, values at or above 0.7 are desirable, but values well above 0.9 may not be desirable as the scale is likely to be too narrow in focus.

## CHAPTER FOUR

### 4. Data presentation, analysis and interpretation

This part of the research paper deals with analysis and interpretation of the collected data through questionnaires (open ended and close ended questions).

Questionnaires were distributed to final consumers who purchase biscuit for consumption. Out of 266 copies of questionnaires distributed 239 (89 %) has been filled out thoroughly and returned, the rest 27 questionnaires could not be collected for different reasons. The data, which was gathered through closed ended questions, was analyzed using the statistical tools which include percentages and frequency, mean, standard deviation, variance and the data, which was gathered through open ended questions, was narrated to support the findings of quantitative once.

#### 4.1. Quantitative Analysis

##### 4.1.1. General Profile of Respondents

**age**

	Frequency	Percent	Valid Percent	Cumulative Percent
<18	16	6.7	6.7	6.7
19-30	57	23.8	23.8	30.5
Valid 31-42	131	54.8	54.8	85.4
>43	35	14.6	14.6	100.0
Total	239	100.0	100.0	

Regarding the age structure of respondents 16 (6.7 %) are under age, 57 (23.8 %) are in the age 19-30, respondents age of 31-42 count to be 131 (54.8 %), 35 (14.6 %) of the respondents are in the age of 43 and above. This implies that the majority of respondents who purchase the company biscuit are under the age category of 31-42 this is good advantage for the student researcher finding because peoples in this age are more responsible and rational on their behavior than other age group.

**education**

	Frequency	Percent	Valid Percent	Cumulative Percent
primary	64	26.8	26.8	26.8
high school	77	32.2	32.2	59.0
certificate	60	25.1	25.1	84.1
first degree	33	13.8	13.8	97.9
second degree and above	5	2.1	2.1	100.0
Total	239	100.0	100.0	

Concerning the educational background of respondents, 26.8 % of respondents are primary, 32.2 % of them are high school completed, 25.1 % of them categorized in a group who have certificate, 13.8 of the respondents are first degree holders, and the last 2.1 % of respondents are second degree and above.

**customer**

	Frequency	Percent	Valid Percent	Cumulative Percent
<1years	92	38.5	38.5	38.5
2-3	78	32.6	32.6	71.1
4-5	47	19.7	19.7	90.8
6-7	18	7.5	7.5	98.3
>8years	4	1.7	1.7	100.0
Total	239	100.0	100.0	

In this part student researcher try to show how long the respondents have been consumers of MO-YA food complex s.c biscuit, from the data gathered from 239 consumers 92 of them know the company biscuit less than a year, 78 of them were customers of the company biscuit for the past 2-3 years, and also 47 of them 4-5 year, 18 respondents from 239 under 6-7 years, only 4 of the respondents were aware and consume the company biscuit for the past 8 and above years. This shows that most of the consumers are new for the company so the company have to work harder than ever to make them loyal consumers in the future if not they are sensitive to shift to competitor products but only 22 respondents where hard core



loyal consumers those stay with the company more than 6 years, indirectly this shows that even if the company stay in the business for many years but the ratio show consumer who visit the company’s sales shop frequently are new ones, it gave sense that the company have gap on holding current customers.

#### 4.1.2. General New Product Investigations

**differentiate**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	21	8.8	8.8	8.8
Agree	58	24.3	24.3	33.1
Neutral	10	4.2	4.2	37.2
disagree	38	15.9	15.9	53.1
Strongly disagree	112	46.9	46.9	100.0
Total	239	100.0	100.0	

As it is shown in the table attached in the last part of the paper, (21)8.8 % and (58)24.3 % of the respondents strongly agreed and agreed that they easily differentiate the company’s biscuit from others in the market, (10)4.2 % of the respondents are neutral, the rest (38)15.9 %, and (112)46.9 % of the respondent replied disagree and strongly disagree about it. The mean data is 3.68 close to 4 which strengthen the data obtained, most of respondents are disagree that the company biscuit is not easily differentiated by them or don’t have any additional attribute to make the differentiate it easily form competitor biscuits and the SD and Variance is 1.476 and 2.177 respectively by which relatively the responses are somehow consistence.

**perceive**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	6	2.5	2.5	2.5
Agree	7	2.9	2.9	5.4
Neutral	2	.8	.8	6.3
disagree	77	32.2	32.2	38.5
Strongly disagree	147	61.5	61.5	100.0
Total	239	100.0	100.0	

In the table shown at the appendices, in perceiving the company biscuit as a new one in the market only 13 of the respondents agreed and strongly agreed,2 of them neutral and from

total of 239 respondents 224 of them strongly disagree and disagree that the biscuits are not perceived as a new one by consumers mind. By using the theory in the past chapter new product must perceive by the consumer as new one but here the data show that the MO-YA food complex s.c biscuit lack something to convince consumers that the product are new. The mean value which is 4.47 approaches to 5 indicates that majority of the respondents strongly disagree that the product is new for them and don't perceive the new biscuit as a new one when they found it in the market. Hence one can conclude from this that, there is no balance between the response of customer acceptance of new product as a new one but the company perspective the product are new products and launch to market as a new one. In addition to this the SD is .0864. This implies that the response of the respondents is consistent from the response of the average respondents.

**feature**

	Frequency	Percent	Valid Percent	Cumulative Percent
Strongly agree	8	3.3	3.3	3.3
Agree	10	4.2	4.2	7.5
Neutral	5	2.1	2.1	9.6
disagree	88	36.8	36.8	46.4
Strongly disagree	128	53.6	53.6	100.0
Total	239	100.0	100.0	

From the table we can see that 8(3.3 %) have strongly agreed and 10(4.2 %) have agreed that the new biscuit come with any unique feature to have superior value than others. 128(53.6 %) strongly disagree and 88(36.8%) disagree on the issue while the rest were neutral 5(2.1%). The mean value which is 4.33 approaches to 4 indicating that majority of the respondents says that the new biscuit have no special attribute to make them believe that it have superior value than competitor biscuits in same market. Hence one can conclude from this that, there is consistency among the respondents that they can't observe or experience the new products superior value the company adds to attract them. In addition to this the SD and Variances is .959 and 0.920 respectively. This implies that the majority of response has near value from the response of the average respondents.

**disposable**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	19	7.9	7.9	7.9
Agree	9	3.8	3.8	11.7
Neutral	9	3.8	3.8	15.5
disagree	72	30.1	30.1	45.6
Strongly disagree	130	54.4	54.4	100.0
Total	239	100.0	100.0	

From the total of 239 respondents; 28 that is 11.7 % answered positively, and in reverse 202 of them 84.5 % had negatively responded that means they don't found the packaging easily disposable. While the rest 9 of the respondents that is 3.8 % were neutral regarding innovativeness of the product package. The mean value which is 4.19 indicating that, the respondents believe that the company's new biscuit package is not comfortable to dispose at all so, In addition to this the SD is 1.19 and variance of 1.41 this implies that the response of the respondents is conflicting or more move away from the response of the normal respondent.

**expectation**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	86	36.0	36.0	36.0
Agree	22	9.2	9.2	45.2
Neutral	19	7.9	7.9	53.1
disagree	42	17.6	17.6	70.7
Strongly disagree	70	29.3	29.3	100.0
Total	239	100.0	100.0	

As it is shown in the table on aggregate 108 (45.2 %) strongly agree and agree that there expectation much with the new product performance. On the other hand 112 (46.9 %) of the respondent disagreed and strongly disagreed that new biscuit match with their expectation. 19 (7.9%) are neutral. The mean data is 2.95 close to 3 which balanced data is obtained and the SD and Variance is 1.7 and 2.9 respectively by which relatively the responses are consistence. Even if the response is balanced and 108 respondents believe that the company biscuit match with their expectation student researcher don't take is serious because majority of same respondents response negatively for other attributes like differentiation, perceive the product as a new, design, attractiveness, and innovativeness of the company so the reason

that their expectation and the product performance match may come from they have less confidence on the company to produce a product that can satisfy their higher expectation, that means that their past experience with the company may make their expectation in the bottom line.

#### 4.1.3. New Product Attributes

##### design

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	7	2.9	2.9	2.9
Valid Agree	7	2.9	2.9	5.9
Valid Neutral	2	.8	.8	6.7
Valid disagree	8	3.3	3.3	10.0
Valid Strongly disagree	215	90.0	90.0	100.0
Total	239	100.0	100.0	

only 2(0.8 %) respondents are neutral, other respondents reaction on the company's biscuit whether its good in design or not, only 14(5.8 %) respondents believe that the company biscuit come up with good design , while the rest of the respondents 223(93.3 %) believe that the company biscuit design is poor. The mean value which is 4.74 approaches to 5 indicating that the biscuit design is poor and few of them reply against the issue. Hence one can conclude from this that, there is consistencies among the respondents on the company's new biscuit are poor in design so the company have to this issue as serious one and must modify it as soon as they can. In addition to this the SD and variance are 0.859 and 0.737 which shows that the response is not conflicting or less diverge from the response of the average respondents.

##### number

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	14	5.9	5.9	5.9
Valid Agree	26	10.9	10.9	16.7
Valid Neutral	36	15.1	15.1	31.8
Valid disagree	62	25.9	25.9	57.7
Valid Strongly disagree	101	42.3	42.3	100.0
Total	239	100.0	100.0	

From the data obtained majority of the respondents (68.2 %) have negative attitude towards the attractiveness of Number of biscuits inside one package attract them to prefer it

from others. Only (16.8%) of the respondents have positive responded to this question. This implies consumers are not attracted by the number of biscuits so that if they get any other biscuit which is attractive than MO-YA food complexes s.c product they will have no reason to stay with the company, in addition (15.1 %) where neutral. The mean value which is 3.89 approaches to 4 indicating that respondents say that they purchase the company's new product even if its size and number of biscuits not attractive than others biscuits in the market and some of them are impartial. Hence one can conclude from this that, there is no strong consistency among the respondents on the issue. In addition to this the SD is 1.236 which shows that the response is inconsistent or more turn from the response of the regular respondents.

**fasting**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	18	7.5	7.5	7.5
Agree	4	1.7	1.7	9.2
Neutral	33	13.8	13.8	23.0
disagree	88	36.8	36.8	59.8
Strongly disagree	96	40.2	40.2	100.0
Total	239	100.0	100.0	

From the total of 239 respondents; that is 22 (9.2 %) don't need fasting biscuit, and in reverse 184 of them (77 %) need fasting biscuit. while the rest 33 of the respondents react that is 13.8 % were neutral regarding to buy fasting biscuit on Wednesday and Friday. The mean value which is exactly 4 indicating that respondents say that they don't purchase the company's biscuit every Wednesday and Friday cause this days are the fasting days and some of them are not sure and the rest replied against them. In addition to this the SD and variance are 1.136 and 1.290 respectively shows that the response is inconsistent or more deviated from the response of the majority respondents. Hence one can conclude from this that, there is no strong consistency among the respondents on the issue, this indicate that even if student researcher don't ask about their religion but indirectly from 239 respondents above 184 of them are orthodox cause in Ethiopian orthodox attitude Wednesday and Friday are fasting days so as long as the company offer them fasting biscuit the sales volume of the current biscuit will increase on this days.

**taste**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	4	1.7	1.7	1.7
Agree	3	1.3	1.3	2.9
Neutral	2	.8	.8	3.8
disagree	101	42.3	42.3	46.0
Strongly disagree	129	54.0	54.0	100.0
Total	239	100.0	100.0	

As it is shown in the table attached in the last part of the paper, 31 of the respondent that is 13 % and 41 of them that is 17.2 % responded disagree and strongly disagree respectively and 63 of them that is 26.4 % and 80 of the respondent that is 33.5 % strongly agree and agree respectively while 24 of the respondent that is 10 % are neutral. When we aggregate the response 72 of the respondent that is 30.2 % respond against and 163 of them that is 59.9 % responded positively. The mean value which is 0.61 indicates that majority of the respondents like taste of the biscuit. In addition to this the SD is 1.4 and Variance shows 2.06 this shows that the response of the respondents is consistent or less deviated from the response of the average respondents. Hence one can conclude from this that, The Company produce its new biscuit with considering consumer taste, as long as there is serious satisfaction on the taste of the biscuit consumers buy the product again and surely this will open less opportunity for other competitor company to attract this customers easily.

**flavor**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	5	2.1	2.1	2.1
Agree	4	1.7	1.7	3.8
Neutral	9	3.8	3.8	7.5
disagree	113	47.3	47.3	54.8
Strongly disagree	108	45.2	45.2	100.0
Total	239	100.0	100.0	

As it is shown on the attached table at the appendices 26.4% of the respondents agreed, 33.9% respondent strongly agreed and 5.4 % are natural while 17.2 % and 17.2 % of the

respondent disagree and strongly disagree. This implies that the company biscuits flavor accepted by sample respondents. The mean value which is 2.61 approaches to 3 indicating that majority of the respondents say that the company develops different flavors with customers interest, In addition to this the SD is 1.5 and variance 2.3 and this implies that the response is not compatible or move away from the response of the mass respondents. Hence one can conclude from this that, flavor is key factor to make consumers satisfy and make them buy the product frequently.

**crispiness**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	8	3.3	3.3	3.3
Agree	5	2.1	2.1	5.4
Neutral	22	9.2	9.2	14.6
disagree	94	39.3	39.3	54.0
Strongly disagree	110	46.0	46.0	100.0
Total	239	100.0	100.0	

As it is shown in the table attached in the last part of the paper 110 of the respondent that is 46 % and 94 of them that is 39.3 % replied strongly disagree and disagree and 22(9.2 %) of them responded neutral on the issue of the biscuit crispiness, the rest 8 of the respondent that is 3.3 % and 5 of them that is 2.1 % of the respondent strongly agreed and agreed. The mean value which is 4.23 indicating that, the respondents don't like the crispiness of the biscuit that much so, one can conclude from this that the respondents are consistent on not attracted by the crispiness of the new biscuit. In addition to this the SD is 0.943 this implies that the response of the respondents is consistent or less deviated from the response of the average respondents. And the variance show 0.890 that relatively there is turn between them.

**attract**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	10	4.2	4.2	4.2
Agree	20	8.4	8.4	12.6
Neutral	21	8.8	8.8	21.3
disagree	65	27.2	27.2	48.5
Strongly disagree	123	51.5	51.5	100.0
Total	239	100.0	100.0	

For the question asked if the biscuit is stylish or not 10 (4.2 %) have answered strongly agree, 20 (8.4 %) respond agreed and 21 (8.8 %) of the respondents are neutral. 65 (27.2 %) and 123 (51.5 %) of the respondents replied disagreed and strongly disagreed. The mean value which is 4.13 indicating that, the respondents agree on is The new biscuit produced by Moya food complex consider and attract all age category. In addition to this the SD is 1.141 and variance of 1.301 this implies that the response of the respondents is inconsistent or more move away from the response of the average respondents. To summarize this student researcher believe that the negative response comes not because the product is not stylish because the biscuits are so stylish than competitor biscuits but the problem that the company face is their target consumers are children's, for them it may be stylish but for older peoples it can't be cause it's not even comfortable to consume it everywhere and it may reflect their social status negatively, that means that in our society biscuits are considered as children's snack than adults.

**4.1.4. Factors Affecting Consumer's Choice****color**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	11	4.6	4.6	4.6
Agree	21	8.8	8.8	13.4
Neutral	38	15.9	15.9	29.3
disagree	56	23.4	23.4	52.7
Strongly disagree	113	47.3	47.3	100.0
Total	239	100.0	100.0	

From the data obtained one can clearly observe that color has huge influence on customer's psychology in point of purchase. The more attractive the color is the higher probability the



product has to be purchased if not at least the customer will have the appetite to examine the product in detail which is better than not been seen at all. The mean value for the data is 4.00, which means the average respondents are convinced that color is one of the important aspects in purchasing the biscuit product, with the standard deviation of 1.285 and variance value of 1.403. From the data obtained majority of the respondents (70.7 %) have negative attitude towards the package color that is consumed by final consumers, (16%) where neutral the rest of the respondents have positive responded to the question. This implies customers believe that the package color is not attractive to choose it from the shelf.

**quality**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	86	36.0	36.0	36.0
Agree	79	33.1	33.1	69.0
Neutral	26	10.9	10.9	79.9
disagree	29	12.1	12.1	92.1
Strongly disagree	19	7.9	7.9	100.0
Total	239	100.0	100.0	

From the data obtained out of 239 respondents 165 suggest that the quality encourage them to purchase the product and 48 of respondents argued it will be better if the exiting quality of the biscuit has changed, so as customers will be motivate to purchase more of that brand, still 26 stay neutral. The data mean value is 2.23 it shows that respondents agree that the biscuit quality is good and the SD is 1.274 which means that the data provided inconsistency among the questionnaires and the variance is 1.623. This data help Student researcher to say that the company biscuit quality fit consumer's preference so it's better to keep it as it is.

**comfortable**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	8	3.3	3.3	3.3
Agree	39	16.3	16.3	19.7
Neutral	8	3.3	3.3	23.0
disagree	122	51.0	51.0	74.1
Strongly disagree	62	25.9	25.9	100.0
Total	239	100.0	100.0	

For total of 239 respondents 122 of the respondent that is 51 % and 62 of them that is 25.9 % replied disagree and strongly disagree that the package of the biscuit is not friendly with the environment and 8(3.3 %) of them responded neutral on the issue of the environment, the rest 8 of the respondent that is 3.3 % and 39 of them that is 16.3 % of the respondent strongly agreed and agreed. The mean data is 3.8 close to 4 which strengthen the data obtained that most of the respondents believe that the package is not friendly with the environment so one can conclude that the company should have to come up with new package that match with the environment, and the SD and Variance is 1.101 and 1.212 respectively by which relatively the responses are somehow inconsistency and more dispersed. More than 75% of respondents believe that the package is not friendly with the environment.

**logo**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	124	51.9	51.9	51.9
Agree	59	24.7	24.7	76.6
Neutral	29	12.1	12.1	88.7
disagree	10	4.2	4.2	92.9
Strongly disagree	17	7.1	7.1	100.0
Total	239	100.0	100.0	

Again For total of 239 respondents 183 of the respondent that is 76.6 % and argue that the biscuit brand logo is easy to recall and they are good with it and 27(11.3 %) of them responded it's hard to recall and remember the company's biscuit logo, 29(12.1 %) stay neutral. The mean data is 1.9 close to 2 which strengthen the data obtained that most of the respondents believe that the brand name and logo is easy to recall and pronounce it, and the SD and Variance is 1.202 and 1.444 respectively by which relatively the responses are one way or another consistency. From this student researcher can terminate that most of participants like the name of the biscuit and it's easy for them to recall and remember, in other word customers are really satisfy and not have that much complain on the brand name.

**Fair price**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	132	55.2	55.2	55.2
Agree	81	33.9	33.9	89.1
Neutral	10	4.2	4.2	93.3
disagree	3	1.3	1.3	94.6
Strongly disagree	13	5.4	5.4	100.0
Total	239	100.0	100.0	

As it is obvious price is the most sensitive element, at least for most of the individuals, customers are willing to pay the current price. The data obtained supports the argument because most of the respondents 213 have agreed that they will purchase the product if the price stay as it is. Only 16 believe it's not fair price. The mean data shows 1.68 close to 2 that most of the respondents consider that the price is fair for them, to support the data obtained the SD and Variance is 1.017 and 1.034 respectively by which relatively the responses are no matter how the price is but its fair for most of consumers, but still the data show respondents are inconsistency on this issue.

**Transit advertising**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	31	13.0	13.0	13.0
Agree	67	28.0	28.0	41.0
Neutral	27	11.3	11.3	52.3
disagree	83	34.7	34.7	87.0
Strongly disagree	31	13.0	13.0	100.0
Total	239	100.0	100.0	

From the data we can see that 31(13 %) have strongly agreed and 67(28 %) have agreed that if the company rise the price in any rate the will pick competitors product from the shelf. 31(13 %) strongly disagree and 83(34.7%) disagree on the issue that even if the company increase the price from their selling price the stay loyal and keep buying. the rest were neutral 27(11.3 %).The mean value which is 3.07 indicating that, the respondents may or may not shift if the company shift its price in any rate, one can conclude from this that the respondents are nonaligned that means they are between shift or stay so it's better for the

company to stay as it is . In addition to this the SD is 1.291 and variance of 1.668 this implies that the responses of the respondents are not more moves away.

**shop**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	4	1.7	1.7	1.7
Valid Agree	5	2.1	2.1	3.8
Valid Neutral	14	5.9	5.9	9.6
Valid disagree	47	19.7	19.7	29.3
Valid Strongly disagree	169	70.7	70.7	100.0
Total	239	100.0	100.0	

Again For total of 239 respondents majority of them 216 of the respondent that is 90.4% and argue that company's not use transit advertising and 9(1.7 %) of them responded positively, 14(5.9 %) stay neutral on this issue. The mean value which is 4.56 close to 5 it indicating that, the new biscuit is not promoted by transit advertising such as taxi, public transports and so on. One can conclude from this that the company is weak in transit advertising practice. In addition to this the SD is 0.833 and variance of 0.693 this implies that the responses of the respondents are not more turn aside instead majority of them agree that the new biscuits are not promoted by the modern way of advertising type such as transit advertising.

**aggressive**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Strongly agree	45	18.8	18.9	18.9
Valid Agree	23	9.6	9.7	28.6
Valid Neutral	23	9.6	9.7	38.2
Valid disagree	66	27.6	27.7	66.0
Valid Strongly disagree	81	33.9	34.0	100.0
Total	238	99.6	100.0	
Missing System	1	.4		
Total	239	100.0		

Again For total of 239 respondents 68 of the respondent that is 28.4 % start purchase after they see the advertising of the biscuit and 148(61.9 %) of them responded advertising is not their motivation to buy the product, 23(9.6 %) stay neutral. The mean value which is 3.49 proves that, respondents start purchasing the company's new biscuit after the advertising

done to aware consumers. In addition to this the SD is 1.5 and variance of 2.2 implies that the responses of the minority respondents have the same opinion that the advertising pushes them to consume.

#### **4.1.5. Correlation between variables**

The main goal of this correlation is to demonstrate the new product performance association with final consumer's preference and to associate it with qualitative analysis that gather by deep interview use it for recommendation. So that the New product performance of the company is the dependent variable of this study and student researcher try to categorize factors affecting consumer's preference as Independent variables these variables are: taste, flavor, crispiness, stylish, color, price, availability, advertising and so on. Correlations among all variables are displayed in Table at the end of this study.

#### **4.1.6. Relation between new product performance and product attribute**

There is a positive correlation between new product differentiation and new product attribute ( $r= 0.248$ ) taste of the new biscuit, ( $r=0.392$ ) offer fasting biscuit, ( $r=0.309$ ) crispiness of biscuit, have relatively lower relation to differentiation the company's new biscuit from other biscuits In other way variables like ( $r=0.723$ ) attractiveness of the biscuit size, ( $r=0.505$ ) stylishness of the biscuit with significant level of ( $p= < 0.01$ ) have strong relation for differentiating the company's biscuit from other biscuits in the market. This means that, MO-YA Food S.C. while designing their product should put in considerations on these important variables because all variables under product attribute have positive relation for differentiating the company's biscuit in the market. It might simplify and clearly explain how consumers differentiate the company's biscuit form competitors' in the market

There is also positive correlation between new product superior value and all product attributes, ( $r= 0.321$ ) taste of the biscuit, ( $r=0.307$ ) crispiness of biscuit, which the program translates as a relatively weak correlation between superior value but ( $r=0.481$ ) offering fasting biscuit, ( $r=0.495$ ) attractiveness of the biscuit size, ( $r=0.447$ ) stylishness of the biscuit and ( $r=0.429$ ) design with person correlation magnitude significant level of ( $p= < 0.01$ ) relatively have strong relation for offering superior value than other biscuits in the market. This means that, MO-YA Food S.C. while producing their product should have kindness on this product attributes because all variables have positive impact to have superior value on the company's biscuit. The company can use this Product attributes to attract new consumers and

satisfy current customers by providing superior value directly to safe guarded their future profitability.

There is a muscular correlation between consumer expectation and new product attributes ( $r=0.577$ ) attractiveness of the biscuit size, ( $r= 0.418$ ) taste of biscuit, ( $r=0.404$ ) stylishness of the biscuit have relatively strong relation with what consumers expectation. This implies that the above elements are what consumers seriously want to satisfy their desire, so the company must produce a biscuit that have special features for consumers to differentiate and attractive them to purchase the product frequently.

#### **4.1.7. Relation between product performance and factors affecting consumer choice**

There is a positive correlation between new product superior value and factors affecting consumer choice, ( $r=0.229$ ) color of package, ( $0.229$ ) package friendly with environment, ( $r=0.174$ ) availability all under significant level of ( $p < 0.01$ ) variables have week relation to offer superior value for consumers. This correlation seriously advice the company to focus on consumers need and want and have to work hard on market analysis to investigate what competitors are doing and what they offer for consumers, because as long as all company's in same industry launch their product in same market MO-YA Food S.C. have to produce biscuit that offer superior value by using new technology and increase innovativeness of employers to match what consumers expect from the next new product.

Even if it is not strong but colour of the package 0.281, brand name of the biscuit 0.223, fair price 0.264 and easy to access the package 0.417 have positive correlation with differentiating the company biscuit. This means that, MO-YA Food S.C. while designing their product should put in to considerations on package and brand name of the biscuit. These variables might make things easier and visibly explain the company biscuit for consumers.

in other way As we can notice from the correlation table, the direction of the relationship between some variables with expectation of consumers are negative, which means that there is a negative correlation – high scores on one variable are associated with low scores on the other. The relationship between consumer expectation and environmental friendly package is the first negative correlation ( $r = -0.08$ ,  $p < 0.05$ ). These numbers mean that the when MO-YA Food S.C makes a product package more friendly with the environment, the more negative consumers expectation match with the product. Going further we can notice a

negative correlation between consumer expectation and shift consumers to other company product if price increase in any rate by company ( $r = -0.303$ ,  $p = <0.05$ ), so if the company increase price in any rate, the more they are toward it, There is also negative relation between the consumer expectation and availability of the product in every shop ( $r = -0.099$ ,  $p = <0.05$ ), which signify the more the company make the product available in every shop, the more negatively they are toward it.

Negative relation between elements also observed in the correlation table, the direction of the relationship between the variables is mostly negative, which means that there is a negative correlation – high effort on one variable are linked with low scores on the other variable. The relationship between the company produce different in consumers flavor interest and easy to access the package is negative correlated ( $r = -0.047$ ,  $p = <0.05$ ). These numbers mean that the more flavor biscuits the company produces; the more negative consumers can access the package. Going extra we can notice a negative correlation between flavor and easy to recall the brand name of the biscuit ( $r = -0.141$ ,  $p = <0.01$ ), so the more different flavor that match consumers preference produced, the more negative affect easy to recall the brand name, which sounds logical, but now was also proven through numbers. There is also negative relation between the flavor and fair price ( $r = -0.033$ ,  $p = <0.05$ ), which signify the more flavor the company produce, the more negatively it become fair price for consumers still it gave sense And also flavor of the biscuit and availability harmfully correlated ( $r = -0.228$ ,  $p = <0.01$ ), this implies if the company focus on producing different flavor to fit consumer taste, the availability of the new product will affect negatively.

#### **4.2. Qualitative Analysis**

The development phase already exists in the company but it is not well structured and presented in the time of interview. Company's marketing managers have good knowledge about product development stage and marketing strategy.

Does the company produce products those are based only on customer need and market research? According to the interviews even if the main source of idea comes from management suggestions but still the management team believes that during the customers visit, they can define easier the customer needs and want but the drivers work as sales persons of the company, means that drivers are not skilled on doing the professional sales activities. That's why even if Company management team sees customer visit as the main inspiration source for the new products ideas but still they don't use it as well, cause the

management don't have confidence on the drivers to collect feedback from consumers and presented to responsible party in the professional way.

Internal and external source are the important methods of idea generation. At Company internal search method has been used very well, using the general knowledge and ideas which management may have could be implemented regularly. Company has not been cooperating yet with technical universities, which would be a valuable contribution for the idea generation and product development process and the company even have no well organized research and development department.

After analyzing the results of the interview with the management it was discovered that most of ideas come from management and few by analyzing customer problems. From there, the company develops new products. For instance, for two recently launched products; the company try to analyze customers problem and develop product that is different from competitor's biscuit regarding amount, size, shape, colour, design, and those ideas comes from the top management.

At Company the first route is used continuously and is well implemented. The second route is only partly applied. That means that most of the ideas come from the management and goes down for implementation. The literature strongly recommends that using both of the routes will help companies to have more high quality ideas coming from all possible sources.

From the interviews it was also found out that evaluation of generated ideas at Company is done by answering the following question: Is there a market for it? Does it fit to the current scope and business strategy? How easy is to do and what the risks are? Is it competing with our customers?

The approach that the Company is following has very similar approach comparing to the suggested method. However, the four questions are not officially documented into a standardized evaluation process from where everyone involved in the company could follow when evaluating the ideas

From the theoretical review, it was found that there are three assessments which should be done before preparing for the development phase; preliminary market assessment, preliminary technical assessment and preliminary financial assessment.



From the interview answers and study of the current product development plan it was discovered that the three initial assessments are partially made when evaluating the ideas. From the market prospective and management team have the necessary knowledge to make the first preliminary assessments? However, considering the size of the company and the unlimited group of customers, it would be more time and cost effective that the preliminary studies are made at the same time with the full analysis conducted before the development phase

It is also important to mention that the technical preliminary assessment is not necessary for all products which Company will launch. The technical assessment will depend on the product strategy. For instance, if Company decides to purchase and resell other companies products as a tactical decision, the technical feasibility, manufacturing process and intellectual properties are not studied. For biscuits which Company is designing and developing, technical assessment shall be conducted.

From the interview was found that competitive products are analyzed during the process but only from the physical description. Company's philosophy is that all solutions offered should be initialized from customer's needs but student researcher still questions this answer?

The company strategy is to find solutions for customer problems and to improve existing products; existing products are reviewed naturally when analyzing customer needs. The company needs to know the solutions that customers are using and in most of cases these solutions are competitive products. The company studies the existing solutions and adds benefits and customer values.

From the theoretical point of view, Company is correctly fulfilling competitor study, and there is no need for further improvements. The study has been adopted to fit to the company strategy, but the concept is integrated and works fine. Patent search is another method, which Company has been implementing. However considering the company size and resources required in implementing this method would be advisable to keep in hold and also implement this method in the future projects.

Building the business case is the last pre-development stage and, according to Robert Cooper (2001), it is a very important stage on the product launch process. From the interviews, it was

confirmed that at the idea generation stage, Company conducts a user needs and wants study. However such study is not documented and analyzed in depth on the further stages.

From the interview with the management the author found out that Company has already built an efficient product-testing network. The issue on the testing practice in the company, discovered during the interview was related to the market testing. Market testing is a new practice, which the company has not applied directly when launching a new product. The new product has been launched, using one strategy for all markets.

However, for being a new and innovative company at the same time brings several advantages which will help the company in the positioning of the new products into the market. For instance, all the products the Company has been offering so far have had several benefits which are superior to other products. These benefits have helped Company products to build their position as an innovative solution on the roll handling equipment market.

The marketing mix, together with the marketing strategy should be further analyzed separately for each product in the process of creating the marketing plan. Taking into consideration Company's business strategy and the industry in which the company is operating, each section of marketing mix will vary depending on the product and target customers. For instance the distribution channels for existing products are both direct and indirect distribution channel. In each case the decision will depend on the company's strategy. The same rule applies to pricing and promotion different products need different strategy.

From the analysis was found out that trade shows and sales visits are the most common used marketing channels used by Company. These two channels have also been very successful in attracting customers, partners and end-user attention. Firstly from the interviews with the existing partners and customers it is confirmed that displaying Company's products in an exhibitions is the most effective way to attract the end users attention. From both interviews was stated that exhibition is the best place to display such innovative products.

The research result from the existing marketing plan found out that print media has been continuously active source of marketing. Print advertising have been present on Company's marketing plan. From the response collected for interview during the last year, print advertisement has played a very important role on branding of Company. Several prospect customers and end-users have immediately recognized the logo with the advertisement which

has been advertised on magazines. Such advertisements are not only important for creating product awareness but also for strengthening Company 's brand.

## CHAPTER FIVE

### 5. SUMMARY, CONCLUSION, AND RECOMMENDATION

In this portion of the research study major findings will be summarized to get the whole picture, conclusions will be drawn out of the findings and finally recommendations will be given so as to take measures that might help to overcome the problems the company have in developing new product and it may increase success of the company biscuit in the future.

#### 5.1. Summary of the major finding

From the total of 239 respondents 168 are males whereas the rest 71 respondents are females. Regarding the age structure of respondents 30.5 % are under the age category of 30 years old, and 69.5 respondents lay above the age 31 and above. More than half of the respondents know the company's biscuit less than three years, this shows that most of the consumers are new for the company.

Regarding the general over view of the new product 62.8% of respondents say it's not easy for them to differentiate the company biscuit form other biscuits. 224 respond they don't perceive the new biscuit of the company as new one. Almost 90% respondents negatively respond for the question they asked whether new biscuit come with unique feature than others in addition majority of the respondents believe that the company's new biscuit in package is not easily disposable. 108 (45.2 %) strongly agree and agree that there expectation much with the new product performance.

Majority of the respondents 223(93.3 %) believe that the company biscuit design is poor and few of them reply against the issue. (68.2 %) respondents have negative attitude toward attractiveness of the biscuit number and size. only 22 (9.2 %) don't need fasting biscuit. Almost all Respondent that is 72 respond against and only 163 of them responded positively, indicates that they are satisfy by taste of the biscuit also same respondents 60.3 % agree and strongly agree the flavor of the biscuit fit their preference. Only 13 participants like the crispiness of the biscuit but 204 respondents don't like the crispiness of the biscuit. For the question asked whether the biscuit is stylish or not 30 respondents agree that the biscuit is stylish but 188 of them negatively respond.

For those factors affecting consumers preference majority of the respondents (70.7 %) have negative attitude towards a package color, (16%) where neutral the rest of the respondents have positive responded to the question. From 239 participants of this thesis majority of them suggest that the package is easy to access. The mean value that is 3.8 close to 4 which strengthen the data obtained that most of the respondents believe that the package is not friendly with the environment.

In other way 183 respond that is 76.6 % argue that the biscuit brand logo is easy to recall and they are good with it but only for 27(11.3 %) participants it's hard to recall the company's biscuit name, Most of the respondents (213) have agreed that they will purchase the product if the price stay as it is with similar issue 41% of participants said if the company rise the price in any rate they will pick competitors product from the shelf, 47.7% disagree on the issue that even if the company increase the price from their selling price they stay loyal and keep buying.

Again For total of 239 respondents majority of them 216 of the respondent that is 90.4% and argue that company's not use transit advertising, Again For total of 239 respondents only 68 of the respondent that is 28.4 % start purchase after they see the advertising of the biscuit

## **5.2. Conclusion**

Based on student researcher finding male consumers purchase the company biscuit than women consumers, also most of the respondents are under the age category of 31-42. MO-YA Food complex S.C's new biscuit don't have any special feature to differentiate by consumers or don't have any additional attribute that make it special from competitor biscuits and consumers can't observe or not experience the new products superior value by considering its unique feature the company adds to attract them. In addition By using the theory in the past chapter new product must perceive by the consumer as new one but here the data show that the MO-YA biscuit has something to convince consumers that the product are new, hence one can conclude from this that the new products are new for the company not for the world.

Even if the response is balanced and 108 respondents believe that the company biscuit match with their expectation student researcher doesn't take it as serious positive response because majority of same respondents' response negatively for other attributes. Student researcher

conclude that unless otherwise the company work hard on research and development to produce innovative product package that is easily disposable it will have bad image on potential consumers because now a day's customers have a good knowledge about the effect of plastic packages on environment.

Even if student researcher don't have any religion issue raised for respondents but still can conclude that from 239 respondents above 184 of them are orthodox because they have serious interest on fasting biscuits, in Ethiopian orthodox religion followers Wednesday and Friday are fasting days so as long as the company must offer them fasting biscuit with different flavor to increase the sales volume of the current biscuit.

based on the finding one can conclude that, The Company produce its new biscuit with considering consumer taste, design, number and size so that the company must keep going on this factors. Flavor of biscuit is a key factor to make consumers satisfy and make them buy the product frequently, Student researcher can conclude that the company must expands different flavors with consumer's interest.

From student researcher point of view the negative response for stylishness of the biscuit comes not because the product is not stylish than competitors, the problem that the company face is their target consumers are children's, for them it may be stylish but for older peoples it can't be cause they can understand the real difference between MO-YA biscuit and other.

From the finding obtained one can clearly observe that color has huge influence on customer's psychology in point of purchase. The more attractive the color is the higher probability on the product to be purchased. From this one can come up with the idea, easiness of the package to access may encourage them to purchase the product and so as customers will be motivate to purchase more of that brand. one can conclude that the company should have to come up with new package that match with the environment because more than half of respondents believe that the package is not friendly with the environment and not comfortable to dispose it anywhere they want.

Student researcher can terminate that most of participants like the name of the biscuit and it's easy for them to recall and remember, in other word customers recognize the brand name and

not have that much complain on the logo and brand name. The greater awareness of the brand increases the likelihood that consumers will consider it.

As it is obvious price is the most sensitive element, at least for most of the individuals, consumers are willing to pay the current price but half of the consumers say if the company rice the price in any rate they will pick competitors product from the shelf other reflect they will stay. One can conclude from this that the respondents are nonaligned that means they are between shifts or stay so it's better for the company to stay as it is

Even if some consumers start purchasing the company's new biscuit after the advertising but still MO-YA Food complex S.C is weak in transit advertising.

### **5.3. Recommendation**

As long as there is consistency among the respondents that they are somehow dissatisfied by the size, design and crispiness of the new biscuit the company rather than fighting with consumers to make them purchase the product it's advisable to change this attributes of the new product. This attributes of biscuit are key factors to make consumers satisfy and make them buy the product frequently so that developing new biscuit by considering consumer need and want is recommended.

Even if student researcher found that the company flavour is good but still the company managers must put in mind that when increase the number of flavoured biscuits there is negative correlation with easiness brand name and logo so that increase their effort by considering this factors. so that student researcher recommends the company must increase brand awareness because it's crucial to differentiate their product from similar product and competitors, higher rate of brand awareness equate to higher sales and further serve competitive advantage that prevent competitors from gaining additional market share.

Student researcher also recommend the company should differentiate unlike biscuits with special colour combination for example banana flavoured biscuit with yellow colours package, strawberry flavour with red colour, orange flavour with orange colour, chocolate flavour with brown colours package is seriously recommended.

By observing ingredients of competitors biscuits, cocktail by Brothers biscuit and Cheraliya biscuits, Student researcher recommend the company to produce different flavoured fasting biscuits to fulfil consumers desire by using different ingredients like cocktail fasting biscuit

comp up with ingredients wheat flour, RBD palm oil, refined sugar, inverted sugar, iodized salt, leavening agent, dough improvers, emulsifiers, permitted food colour and flavours.

Even if respondents believe that the company biscuit match with their expectation student researcher don't take it as positive response and don't suggest the company to go on with the current product performance because majority of same respondents response negatively for other attributes. From student researcher logical point of view the reason that their expectation and the product performance match may comes from consumers have less confidence on the company to produce better new product that can satisfy their higher expectation, that means their past experience with the company product may make their expectation in the bottom line. So student researcher seriously recommend as long as there is positive correlation between consumers expectation and the other attributes the company must work hard on this attributes and come up with superior new product performance that can delight current consumers those who have less expectation about it and can use it as a good opportunity because when product performance excides expectation its more than satisfaction in other word it will be delight for consumers and increase their satisfaction level easily.

Main source of new product idea comes from management suggestions, Student researcher found that the reason why majority of respondents give negative feedback for this thesis comes from all new products idea comes from the management without considering the industry and consumers interest. With this intention student researcher recommend the company must use other source of new product development such as Customers, Competitors, Distributors, Creative techniques, External world, Research and development: Create new product ideas through R&D but first MO-YA food complex S.C. must have well organized R&D department.

Furthermore to the above reason why student researcher recommend stage gate new product development model stage two and stage three conduct as sometime is during the preliminary assessment the market prospects for the product is essential. Such assessment includes; the potential of the product, market acceptance and the requirements for the product. As long as the marketing research can answer competitors' analysis and consumers need and want student researcher can't see the exact helpfulness of doing under concept testing that provide



the interest of the customer or end-user. Technical assessment is must in the next stage so there is

Even if the company analyze competitors' product physically but Student researcher recommend that First, the company must analyses the existing products that do not fulfil the customers need. If the company then assures that new solutions and add value for the customers and fulfil their need at 100%. Secondly, the company must considering the industry, company size and the type of products the company can offer for consumers. it is strongly advised that an in-depth market analysis should be conducted before the product goes to development. Once again the student researcher suggests that such analysis can made during the first preliminary stages.

In addition Student researcher strongly recommended that the product launch should be firstly tested in a smaller scale before going to total market. A market test will help to test the marketing strategy and how attractive is the product to the customers or end-users. By evaluating the theory suggestions and company's long term ambition student researcher strongly recommends a structured market testing must apply for future new product launches.

During launching stage the company can differentiate itself from its competitors and have advantages in positioning its products, student researcher recommends further market mix analysis separately for each new product must me accomplish well. As long as the company tray to produce new product that is different from the existing biscuit. Market mix analysis for one product may not be work for other product

Student researcher Recommend in the issue of promotion is its better for the company to uses social media. The company must paying attention to continuously send the messages to the customers by using the media advertising, transit advertising and social media such as LinkedIn, Face book or Google+. Social media has been considered as very important online media in today's business when launching the new products. The potential customers may also see social media as an important source of information cause this days social media become part of day to day activity in Ethiopia, even it become headache for the government cause it's the fastest and easiest way to transfer opinion and information, it's a shade light for the company to use social media to communicate customers as long as most people's are addicted and can access it everywhere they go.

In other aspect of marketing mix Price is the most important factor which influences the marketing. Price can be determined by several factors such as; product manufacturing cost, market share, target customers, type of the product so student researcher recommend price

penetration strategy for the company because from the feedback gathered from final consumers relatively they believe the price is fair but if the price increase in any rate they will shift to other competitors' product this implies target consumers are price sensitive consumers so penetration strategy will make them to purchase and attract by the low price of new product.

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## APPENDIX A

### St. Mary's University

### School of Graduates Study

### Marketing Management Program

#### Questionnaire to be filled by MOYA Food Complex Final Consumers

This questionnaire is prepared by graduate student of St. Mary's university in the field of marketing management master's program in fulfillment of a master's thesis. This study entails to assess the new product development practice of Moya food complex. Biscuit and purely academic.

Therefore, you are selected to fill this questionnaire because student researcher has full trust on you to get complete and real information that are required for this research. Note that, the validity of your response has high contribution for success of my study due to this reason I would like to ask with due respect to give the right response. All information you provide to this study will be kept strictly confidential. Thank you in advance for your cooperation.

#### Notice;

- It is not necessary to write your name.
- Please put a “√” mark on the space provided.

#### I. Personal information

1. Gender: Male  Female

2. Age

< 18 yrs  19-30  31-42  More than 43

3. Education Background

Primary  High School  diploma/certificate  first degree  >Second degree

4. For how long have you been customer of Moya food complex?

A. Less than 1 yrs  C. 4 – 5yrs

B. 2 – 3yrs  D. 6-7yrs  E. more than 8yrs



## II. Questions related to product development in Moya Food complex.

Rank the questions based on the following alternatives

Strongly agree = 1; agree = 2 ; Neutral = 3; disagree = 4: Strongly Disagree = 5

General NPD						
Item no.	Description	1	2	3	4	5
1.	I can easily differentiate the company's biscuit from competitors					
2.	I perceive the company's new biscuit as a new one in market					
3.	Have you ever seen any unique feature in the biscuit related to other similar products					
4.	the packaging is easily disposable					
5.	The company's new product matches with my expectations					
6	The biscuits design attract consumers					
7	Number of biscuits inside one package attract me to prefer it from others					
8	Moya fasting biscuit is better than others to consume it on fasting days					
9	Moya biscuit taste is better than competitor biscuits					
10	The company develops different flavors to satisfy consumers need					
11	crispiness of the biscuit makes it comfortable to eat					
12	The new biscuit produced by Moya food complex consider and attract all age category					

13	Yellow color on the package of Moya biscuit attracts me to pick it from the shelf					
14	The company gives more quality product than competitors do					
15	The company packaging is easy and comfortable to consume the product than similar products in the market					
16	Logo of Moya biscuit help me to differentiation the brand easily					
17	The company's biscuit price is fair than competitors					
18	Moya food complex create good transit advertising by using the company transportation cars					
19	Moya biscuit is easily available in any shop					
20	The company use aggressive promotion to communicate with consumer's than competitor do					

22. What suggestion you have for Moya food complex to improve in the next new product?

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23. Any different point you want to rise, that you think it's helpful for the company new product development.

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## **Appendix B**

**St. Mary's University**

**School of Business**

**Department of Marketing Management**

**Interview**

Interview questions

1. Do you follow any product development model?
2. Where do the new product ideas come from and where should they be coming from?
3. How the company assesses and implements the new idea received?
4. Does the company employ assessments which should be done before preparing for the development phase?
5. To what extent the Moya Food complex S.C study competitors and their products?
6. Does the company produce products those are based only on customer need and market research?
7. Do you go to customer through face to face meetings or do you create concept solutions internally, and then make market research to test the product concept?
8. What are the types of testing you are currently applying before and during the launch of the new products?
9. To what extent the company works to match customer's expectation with marketing mix

**Statistics**

		gender	age	education	customer	differentiate	perceive	feature
N	Valid	239	239	239	239	239	239	239
	Missing	0	0	0	0	0	0	0
Mean				2.32	2.01	3.68	4.47	4.33
Std. Deviation				1.077	1.019	1.476	.864	.959
Variance				1.160	1.038	2.177	.746	.920

**Statistics**

		disposable	expectation	design	number	fasting	taste
N	Valid	239	239	239	239	239	239
	Missing	0	0	0	0	0	0
Mean		4.19	2.95	4.74	3.88	4.00	4.46
Std. Deviation		1.190	1.699	.859	1.236	1.136	.737
Variance		1.417	2.888	.737	1.527	1.290	.543

**Statistics**

		flavor	crispiness	attract	color	quality	comfortable	logo
N	Valid	239	239	239	239	239	239	239
	Missing	0	0	0	0	0	0	0
Mean		4.32	4.23	4.13	4.00	2.23	3.80	1.90
Std. Deviation		.804	.943	1.141	1.185	1.274	1.101	1.202
Variance		.646	.890	1.301	1.403	1.623	1.212	1.444

**Statistics**

		Fair price	transit advertising	shop	aggressive
N	Valid	239	239	239	238
	Missing	0	0	0	1
Mean		1.68	3.07	4.56	3.48
Std. Deviation		1.017	1.291	.833	1.506
Variance		1.034	1.668	.693	2.268

**Correlations**

		differentiate	perceive	feature	disposable	expectation	design	number	fasting	Taste	flavor	crispiness	attract	color	quality	comfortable
differentiate	Pearson Correlation	1	.423**	.512**	.440**	.635	.160**	.723**	.392**	.248**	.112	.309**	.505**	.281**	.417**	.030
	Sig. (2-tailed)		.000	.000	.000	.000	.013	.000	.000	.000	.085	.000	.000	.000	.000	.646
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239

perceive	Pearson Correlation	.423**	1	.297**	.332**	.156*	.407	.385**	.315**	.274*	.345**	.126	.183**	.144**	.122*	.171*
	Sig. (2-tailed)	.000		.000	.000	.015	.000	.000	.000	.000	.000	.051	.005	.026	.059	.008
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
feature	Pearson Correlation	.512**	.297**	1	.474**	.387*	.429**	.495	.481**	.321**	.310**	.307**	.447	.229**	.061**	.222*
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000	.000	.000	.000	.000	.000	.000	.346	.000
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
disposable	Pearson Correlation	.440**	.332**	.474**	1	.279*	.558**	.467**	.251	.196**	.335**	.380**	.510**	.513	.134**	.296*
	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000	.000	.002	.000	.000	.000	.000	.038	.000
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
expectation	Pearson Correlation	.635**	.156*	.387**	.279**	1**	.049*	.577**	.274**	.418	.239**	.232*	.404**	.278**	.440	-.008
	Sig. (2-tailed)	.000	.015	.000	.000		.453	.000	.000	.000	.000	.000	.000	.000	.000	.906
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
design	Pearson Correlation	.160*	.407**	.429**	.558**	.049*	1**	.248**	.268**	.264	.362*	.113**	.361**	.413**	.027	.319*
	Sig. (2-tailed)	.013	.000	.000	.000	.453		.000	.000	.000	.000	.081	.000	.000	.678	.000
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
Number	Pearson Correlation	.723**	.385**	.495**	.467**	.577*	.248**	1**	.279**	.305**	.204**	.258**	.432**	.316**	.306**	.078*
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000	.000	.000	.002	.000	.000	.000	.000	.231
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
Fasting	Pearson Correlation	.392**	.315**	.481**	.251**	.274*	.268**	.279**	1**	.344**	.150**	.242**	.334**	.103**	.322**	.310*
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	.000		.000	.020	.000	.000	.112	.000	.000
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
Taste	Pearson Correlation	.248**	.274**	.321**	.196**	.418*	.264**	.305**	.344**	1**	.470**	.220**	.327**	.144**	.228**	.160*
	Sig. (2-tailed)	.000	.000	.000	.002	.000	.000	.000	.000		.000	.001	.000	.026	.000	.013
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
Flavor	Pearson Correlation	.112	.345**	.310**	.335**	.239	.362**	.204**	.150**	.470**	1	.176**	.288**	.313**	-.047**	.281
	Sig. (2-tailed)	.085	.000	.000	.000	.000	.002	.020	.000	.000		.006	.000	.000	.468	.000
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
Crispiness	Pearson Correlation	.309**	.126	.307**	.380**	.232*	.113	.258**	.242**	.220**	.176**	1	.331**	.256**	.159**	.020*
	Sig. (2-tailed)	.000	.051	.000	.000	.000	.081	.000	.000	.001	.006		.000	.000	.014	.763
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239

attract	Pearson Correlation	.505**	.183**	.447**	.510**	.404*	.361**	.432**	.334**	.327**	.288**	.331**	1**	.395**	.285**	.212*
	Sig. (2-tailed)	.000	.005	.000	.000	.000	.000	.000	.000	.000	.000	.000		.000	.000	.001
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
color	Pearson Correlation	.281	.144**	.229**	.513**	.278	.413**	.316**	.103**	.144**	.313	.256**	.395**	1**	.167**	.200
	Sig. (2-tailed)	.000	.026	.000	.000	.000	.000	.000	.112	.026	.000	.000	.000		.010	.002
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
quality	Pearson Correlation	.417**	.122	.061**	.134**	.440*	.027	.306**	.322**	.228*	.047**	.159	.285**	.167**	1*	.099*
	Sig. (2-tailed)															
	N															

	Sig. (2-tailed)	.000	.059	.346	.038	.000	.678	.000	.000	.000	.468	.014	.000	.010		.127
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
comfortable	Pearson Correlation	.030**	.171**	.222	.296**	.008*	.319**	.078	.310**	.160**	.281**	.020**	.212	.200**	.099**	1**
	Sig. (2-tailed)	.646	.008	.001	.000	.906	.000	.231	.000	.013	.000	.763	.001	.002	.127	
logo	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
	Pearson Correlation	.223**	.058**	.018**	-.022	.189*	-.184**	.065**	.222	-.048**	-.141**	-.065**	.188**	-.068	.449**	.194*
Fair price	Sig. (2-tailed)	.001	.371	.782	.739	.003	.004	.315	.001	.463	.030	.316	.004	.296	.000	.003
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
transit	Pearson Correlation	.264**	.165*	.157**	.034**	.163*	-.022*	.153**	.278**	.107	-.033**	.098*	.229**	.049**	.505	.085*
	Sig. (2-tailed)	.000	.011	.015	.600	.012	.731	.018	.000	.098	.607	.131	.000	.452	.000	.193
shop	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
	Pearson Correlation	.104*	.303**	.060**	.208**	-.303*	.163**	.016**	.074**	-.068	-.073*	.060**	.071**	.099**	.261	.128*
aggressive	Sig. (2-tailed)	.109	.000	.355	.001	.000	.011	.810	.253	.299	.260	.356	.275	.127	.000	.049
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
	Pearson Correlation	.167**	.135**	.174**	.209**	.099*	.288**	.127**	.211**	.016**	-.228**	.107**	.200**	.098**	.160**	.168*
	Sig. (2-tailed)	.010	.037	.007	.001	.127	.000	.050	.001	.805	.000	.100	.002	.131	.013	.009
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239
	Pearson Correlation	.400**	.237**	.030**	.190**	.267*	.107**	.254**	.286**	.146**	.001**	.074**	.267**	.260**	.616**	.020*
	Sig. (2-tailed)	.000	.000	.648	.003	.000	.098	.000	.000	.024	.982	.255	.000	.000	.000	.761
	N	239	239	239	239	239	239	239	239	239	239	239	239	239	239	239

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).