

St. MARY'S UNIVERSITY COLLEGE
BUSINESS FACULTY
DEPARTMENT OF MARKETING MANAGEMENT

**AN ASSESSMENT OF NEW PRODUCT DEVELOPMENT
PRACTICE IN AMBASSADOR GARMENT AND TRADE PLC.**

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JUNE 2010
SMUC
ADDIS ABABA

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**A SENIOR ESSAY SUBMITTED TO THE
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ADDIS ABABA**

St. MARY'S UNIVERSITY COLLEGE
AN ASSESSMENT OF PRICING STRATEGY IN BEST
PLASTIC INDUSTRY

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Chapter One

Introduction

1.1. Background of the Study

New product development is a type of product innovations that tends to disrupt old ways of doing things. New products are essential to most business. As the product life cycle suggests, existing products do not last indefinitely and replacements may be required for business. In addition new product developments provide away to compete against the strong and dynamic competitions is a feature of most market. The greatest reason for developing new product is to meet changing customer needs and it is essential for a firm to keep developing new products, as well as modifying it current products to meat changing customer needs and competitor's actions. New product development process means that consciously or sub consciously the firm has decided to milk its current products risk going out of business. Identifying and developing new product ideas and effective strategies to go with them are often the key to firm's success and survival. This is not easy. New product development demands effect, time, talent and still the risk and cost of failure are high. (Perreult and others, 2000:160-161)

It is also defined as a product improvement or revision of existing product additions to existing product lines, repositioning of existing product and provide similar product performance at lower price or talking up a product line which is totally new product or new to the world. (Saxena, 2002:226)

Currently it is seen that new product development becomes essential element that firms must give emphasis to get competitive advantage with industries. Ambassador Garment and Trade P.L.C is one of the leading garment factories in Ethiopia, which practice development in a manner to create smooth interaction with their customers and Employees.

Ambassador Garment and Trade P.L.C. was started out as tailor shop in 1990 E.C. it has grown to a garment manufacturing industry in Ethiopia. Currently the company is running with a total working capital of 12 Million birr. Ambassador garment and Trade P.L.C is one of the leading factories of ready made suite, mainly engaged in producing quality suits, coats, trousers and jackets for men's. The factory is equipped with stage of the art technology, skilled manpower and strong quality management system with production capacity of 500 suits per day. So for Ambassador Garment and Trade P.L.C is commercializing it products in domestic market and aiming to expand to Europe and U.S.A. The capacity and a production plant are located in Addis. Expended its capacity and diversifies its operation by establishing to subsidiaries: Ambassador real state to & Bole Ambassador hotel apartment. (source: from the company profile and brochures)

The key product that the firm produces and offer to the market are different suits, ready made and made-to-measure different in the market are different range, purchase option and fabrics based on its customers need and wants. In this research the new product development strategy of the company and their effect in the overall profitability will be assessed in order to forward appropriate suggestion so as to make the necessary adjustment and to take corrective action.

1.2. Statement of the Problem

According to Kotler and Gary, (2006:274) new product development is development of original product, product improvement, product modification and new brand, through the firm's own research and development teams effort.

According to Kerin, (1994:289) news product strategies can generally be classified as either proactive or reactive. Thus, proactive strategies lead to allocation of resources to identify opportunities, future oriented

research and development and entrepreneurial development acquisition on the other hand reactive approach emphasize and developing new products after the customer request.

The product strategy is crucial element of the over all company's marketing strategy. Product strategy is the engine drives the rest of the marketing strategy, with out it there is nothing to distribute, nothing to promote, nothing to price. Thus product is a vehicle for need satisfaction (Anderson, 2002:219).

Ambassador Garment and Trade P.L.C is a leading company in ready made men's suite industry with the following relative competitive advantages like possession high technical staff, disciplined work force achieving high technical in business. However, one the aforementioned competitive advantages could be worthless unless they are consistent and up data to changing business environment by combining with new product development. (Source: from company profile).

There may be several gaps in the company. The main interest of this research study is the gaps related with new product development of Ambassador Garment and Trade P.L.C as per the information secured from the company employee and some regular customer. Even if there are high requirements of product variety in terms of color, size, design and pattern. But the customer can't get the above requirements as a result they prefer to go to small tailor shops and to Chinese goods. Because they get what they want consequently, this leads the company's market share and sales to be attacked. Lack of competitiveness towards its competitors and problem of senior management in the area of research and development department of the company. Poor tackling system is also the problem. The forecasting and information processing capacity in not as good as the company brand name.

There are a number of factors, which relict the producers to achieve there marketing strategy, objective and goals in modifying and developing new product. One major problem is failure to follow the formal stage of new product development from idea generation to commercialization and failure to conduct market research regarding customer's competitors and employees towards in developing of new products and their response, based on preliminary observation.

In relation to the above mentioned gaps the student research will try to assess customer satisfaction with new product development Ambassador Garment and Trade P.L.C. More specifically the study will tray to find out solution for the following basic research questions.

1. What are the factors that could affect the company's new product development practice?
2. How the company with effective new product development system?
3. How does the company's new product development practice affect its market share?
4. To what extent the company employ new product development quality control strategy?

1.3. Objective of the Study

1.3.1. General Objective

The overall objective of this study will be to assess and evaluate new product development activity of Ambassador Garment and Trade P.L.C.

1.3.2. Specific Objectives

- To identify major problems related with new product development activity.
- To assess new product development procedure and the system of the company.
- To identify product the effect of product development Practice with market share.

- To investigate the current product development strategy of the company; if any.
- To give solution or recommendation for possible improvement in developing new product system in the company.

1.4. Significance of the Study

This paper is mainly focused on new product development of Ambassador Garment and Trade P.L.C. and for different parties. To the organization:

- To show the importance of the study is to assess and evaluate to the overall new product development strategy to meet the need and wants of the target customer relating with products, color, quality, design style and to take corrective action.
- To the student researcher it will help to get practical knowledge about the field of new product development strategy and it uses.
- To other it will be used as an input for in depth study on the area.

1.5. Delimitation of the Study

Although this industry made and sells readymade suits, jackets and trousers for local market but these study is delimited to from year 2000-2001 and in area of Addis Ababa market where customers and population at large are concentrated. The company consist departmental divisions like administrative division technique and production division, finance division and commercial division. This study focused an a commercial division and technique and product division due to financial and time constraint to conduct research, studying and identifying above mentioned division helps to forecast situation related with new product development strategy.

1.6. Research Design and Methodology

1.6.1. Research Methodology

In order to assess necessary data and address the problem mentioned the student researcher used descriptive survey research method because it gives relevant and accurate information in study area, it relied to realize the objective and in order to answer the research questions.

1.6.2. Population and Sampling Techniques

Employees, marketing manager of the company and customers will be considered as participant of the study. Probability sampling technique simple random (lottery) method will be used since it gives equal chance for all employees. Since the company does not have customer list. So the student researcher used the model provided by author Malhotra and contact 200 of the and by using a same technique which is simple random sampling technique a student researcher select 50 employees as a sample respondent. Because this study is related with problem solving and the student researcher emphasized on commercial division which is related with new product development.

1.6.3. Types of Data to be collected

In order to come with appropriate answers to the research questions and objectives, the student researcher were used both primary and secondary source data. Primary data was collected through interview and questionnaires. And secondary data was collected from company document, journals and related research.

1.6.4. Data Collection Method

The primary data will be collected by distributing questionnaires to the customer and interviews with marketing management, product development team, production manager and participant observation. Secondary data will be collected by investigation of the companies

published a unpublished document archives and performances in relation to new product development activity.

1.6.5. Data Analysis Techniques

Both quantitative and qualitative data analysis techniques will be used by the student researcher. Quantitative (Statistical) data analysis techniques, descriptive data analysis are used to summarize the findings in percentage and tables are computed. Qualitative data analysis will be used for the answer to be collected from interview responses.

1.7. Organization of the Study

This research study will have different parts in terms of dividing and organizing in to four chapters. Chapter one deal with the background of the study, statement of the problem, objective of the study, significance of the study and delimitation of the study. Chapter two covers review of related literature. Chapter three overviews data presentation and analysis the final chapter consist of summary, conclusions and recommendations and finally questionnaires and interview checklist are attached to the study.

Chapter Two

2. Review of Related Literature

This research paper reviews relevant literatures, written by different authors on new product development, in order to conduct detail analysis and discussion on each and every element found in new product development.

2.1. Overview on Product

A product is defined as “set by tangible and intangibles attributes, including color, price, quality and brand plus the service and reputation of the seller.” Product can be tangible good, service, place, person or idea. In essence, then customers are buying much more than a set of attributes when they buy a product. They are buying wants satisfaction in the form of the benefit they expect to receive from the product. Stanton, (2004:168). According to Kumar, (2003:3) product is anything that can offered to market for attention, acquisition, use or consumption that might satisfy, a want or need.

According to Anderson, (2000:219) product strategy of a company is crucial element of the overall marketing strategy. Product strategy is the engine that drives the rest of the marketing strategy, without it there is nothing to distribute, nothing to promote, nothing to price. Thus product is a vehicle for need satisfaction.

As per Stanton and others, (2001:226) new product strategy is a statement identifying, the role new product is expected to play in achieving corporate and marketing goals. New product strategy can also help a firm avoid the problem of having numerous products under development but few actually be coming ready for the market.

According to Kurtz and Booz, (1995:105) product management includes planning and developing the right product and service to be marketed by

the company strategies are needed to be adjusted according to customer's preference by adding new ones, changing existing product and decision regarding packaging, branding and various product features.

A product is good service, or ideas consistency of a bundle of tangible and intangible attributes that satisfies consumers and is received in exchange for money or some other unit of value. (Kerin, 1994:289)

New product strategy development involves defining the role for a new product in terms of the firm's overall corporate objectives. This step in the new product process has been added by many companies recently to provide a needed focus for ideas and concepts developed later stage.

According to Kurtz and Booz, (1995:105) product management includes planning and developing the right product and service to be marketed by the company strategies are needed to be adjusted according to customer's preference by adding new ones. Changing existing product and decision regarding packaging branding and various product features.

New products are categorized as products that are really innovative unique, products with significant difference in terms of form, function and most important to benefit provided with the existing product or imitative products that are new to a particular company but not new to the market.

When a company wants to develop new product it needs to be consider two important points. They are customer value/satisfaction and technology to be used. According to Kumar, (2003:110) when a company makes use of technological aspects, it requires to understand the market condition either to strengthen the market with improved technology. The company can utilize the company's presented scientific knowledge then it hopes to strengthen the market, product improvement and product line

extension. And internet helps to accelerate new product development flow in the organization. With combined flexible manufacturing technology the internet enable marketer to take the new product from concept /idea/ to commercialization stage in short period of time. Internet and web work is especially good for online products to show as the network allows for quick sampling and feedback from consumers and others. As a result the company can achieve success by competitive advantages.

In favor of Murthy, (2003:110) in today's business, companies are facing their toughest competition so companies which provides highest customer value which is the out come of total customer value delivered and total customer cost because the customer examines the total customer cost and the total customer value and buy from whoever provides the highest delivered value producer need to give due attention for the values they are providing to the customer.

2.2. Importance of Product

As per Kumar, (2003:12) stated importance of a product can be judged from the following facts mentioned below factors:

Product Is the Key Point for All Marketing Activities

Product is the centering force and all marketing activities revolve around it. The marketing activity such as selling, purchasing, advertisement, distribution, network, sales promotion and other activities are not existence without a product, cited from (Bernandit. Z., 2001:11)

Product Is Core for Planning

The marketing plan with out not be prepared if there is no product. Because of planning of all marketing activities such as pricing, advertising sales promotion and distribution are carried on by market situation, product situation and competitive situation. (Kumar, 2003:14)

Product Is an End

As per Shiv, (2004 cited in Beradit. Z, (2001:11)) stated because the main aim of all marketing activities is to create customer satisfaction.

This philosophy holds good only when the product satisfy the customer. Thus, product is an end (satisfaction of consumers) understanding of past purchase behavior and adoption process from the view point of the producer is essential. Based on the above ideas, the producer must insist on the quality, size, packaging, design of the product so that it may satisfy the consumer need because many products do fail in the market and have only a short life since it fails to understand the customers need and satisfy them.

2.3. Product Attribute

As per Shalini and Mango, 2003 cited in Bernadite. Z (2001:13) stated developing a product or service involves defining the benefit that it will offer. These benefits are communicated and delivered to consumers by product attribute including, product quality as the set of features and characteristics of a good or service that determines its ability so satisfy needs. Product feature as per Kotler, (2006:242) by specifying companies to create higher level model by adding more features, in order to use as a differentiating tools their products from competitors. And product design as per Stanton (2001:283) it away of improving the marketability of a product by making it easier to operate, upgrading it. Quality improving the appearance, of reducing production costs, or the only way feature that differentiates a product.

2.4. Product Mix Strategy

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

be successful in marketing, producers and middle men need carefully planned strategies for managing their product mixes.

2.4.1. Positioning the Product

Management's ability to bring attention to a product and to differentiate in a favorable way from similar products goes along way toward determining that product's revenues. Thus management needs to engage in positioning entails developing that a product projects in relation to competitive products and to the firms other products. Regardless of which positioning strategy is used, the needs of the target market always must be considered. For some products the best position is directly gains the competition. This strategy is especially suitable for a firm that has a solid differential advantage or is trying to solidify such an advantage. (Walker and others, 2001:242)

Positioning in relation to a product class or attribute sometimes a company's positioning strategy entails associating its product with (or distancing it from) a product class or attribute.

Positioning by price and quality:- Certain producer and retailers are known for their high quality products and high prices- without differentiation, particularly with respect positioning on the price quality continuum, some models are likely to fail. (Walker, 2001:244)

2.4.2. Product-Mix Expansion

Product mix expansion is accomplished by increasing the depth with in a particular line and or the number of lines a firm offers to customers. When a company adds a similar item to an existing product line with the same brand name, it is termed a line extension. Another way to expand the product mix, is referred to as mix extension, is to add a new product line to the company's present assortment. (Stanton and others, 2001:244)

2.4.3. Alteration Of Existing Product

According to Etzel (2001:246) stated rather than developing completely new product, management might do well to take a fresh look at the organizations existing products, often, improving an established product, termed product alternation, can be more profitable and less risky than developing a completely new one. (Stanton, 2001:245)

2.4.4. Product Mix Contraction

Another strategy, by Walker, (2001:246) product mix contraction, is carried out either by eliminating an entire line or by simplifying the assortment within a line. The result of this strategy is thinner and/or shorter product lines or mixes can weed out low-profit and unprofitable products. The intended result of product mix contraction is higher profits from fewer products.

Trading up and trading down

As per Walker, (2001:246-247) the products strategy of trading up and trading down involve a change in product positioning and expansion of the product line. Trading up means adding a higher price product to a line in order to attract a broader market. Trading down means adding lower price product to a company's product line. The firm expects that people who cannot afford the original higher price product or who see it as too expensive will buy the new lower-price one.

2.5. Concept Related to New Product Development and its Life Cycle

As per Stanton and others (2001:248) stated a product life cycle can have a direct bearing on a company's survival. The life cycle of a product consist of four stages: introduction, growth, maturity, and decline. The concept of product life applies to a generic category of product and not to specific brands. A product life cycle consists of the aggregate demand over an extended period of time for all brands comprising a generic product category. As another author mentioned product life cycle concept

can be the key to successful and profitable product management, right from the introduction of new product to final profitable disposal of obsolescent of a product. (Cooper, 1992:179)

2.5.1. Introduction

As per Etzel and others, (2001:250) during the introductions stages, some times called the pioneering stage, a product is launched into the market in a full-scale marketing program. It has gone through product development including idea screening, prototype development, and market tests. The entire product may be new, or it may be well known but have a significant novel feature that, in effect, creates a new product, normally there is very little direct competition because consumers are unfamiliar with innovative product or features, pioneering firm's promotional program is designed to stimulate demand for the entire product category rather than tangible brand.

2.5.2. Growth

According to Walker and others, (2001:250) in the growth stage, or market acceptance stage, sales and profits rise, frequently at a rapid rate. Competitors enter the market, often in a large numbers if the profit out look is particularly attractive. As a result a competition, profits start to decline. Since there will be substitute product in large number the success of the firm in this stage depend upon the efficient production of quality and network of the product as per Pezzullo, (1998:155).

2.5.3. Maturity

During the first part of the maturity stage a sales continue to increase but at a decreasing rate. Because competitors will spread over the market and profits of both producers and middlemen decline, the primary reason: in tense price competition. Seeking to differentiate themselves, with new or improved version of there primary brand: (Etzel, 2001:251)

2.5.4. Decline

According to Kumar it is the last stage of PLC which buyer looks the sales for newer and better product which in turn affects the sales. There are many factors as Kumar mentioned which are technological change, consumer life style, competition and others. During this stage, the product can not hold its position in the market and pricing seems to be the competitive weapons. At this stage of product life cycle ceases the need for new product and modification of other products.

2.6. New Product Development Support Services

Customer's service is another element of product strategy. However, a company's offer usually includes same support services, which can be a minor or a major part of the total offerings. Thus, the first step is to survey customers periodically in order to assess the value of the current service and to obtain ideas for new ones. While, it must assess next the cost of providing this services. Although it can through a development of a package and services according it will both delight customers and yield a profit to the company (Rudelius, 1994:290).

2.7. Differentiation

According to Kotler, (2006:281) a company must try to differentiate its offering. Differentiation can be defined as the act of designing a set of meaningful differences to distinguish the company's offering from competitors offerings and the number of differentiation opportunities varies with the type of industry. There are parameter designs of differentiation mentioned below:

Features and Forms

According to Kotler, (2006:280) most products can be offered with varying features, characteristics that supplement the products basic function. Being the first to introduce valued new features is one of the

most effective ways to compete in a market. Many products can be differentiated in form, size, shape, or physical structure of a product.

Performance Quality

According to G. Armstrong, (2004:400) performance quality is refers to the level at which the products primary characteristic operate and or company must also manage performance quality through time. Three strategies are available. The first, where the manufacturer continuously improves the product. The second strategy is to maintain product quality at a given level and the third level is to reduce product quality through time to reduce money charged.

Durability

As per Armstrong and Kotler, (2004:420) is a measure of the products expected operating life under natural or stressful conditions, is a valued attribute for certain products. Further more the product must not be subjected to rapid technological obsolescence.

2.8. Branding

According to Hartlin and Ferrell, (2005:223) mentioned perhaps the most distinctive skill of professional it is marketer ability to create maintain, protect and enhance brand. A brand can be defined as name, term, sign, symbol, or design or a combination of them, intended to identify the good or services of one seller or group of sellers and to differentiate them from those of competitors. Brand recognition and other reactions are created by the use of the product or service. A brand is a symbolic embodiment of all the information connected to the product and serves to create association and expectation around it and brand equity have to be come increasingly important component of culture and the economy.

2.9. Packaging

Packages have always served a practical function that is they hold contents together and protect goods as they move through the

distribution channel. Today, however, packaging is also or container for promoting the product and making it easier and so far to use.

Packaging Functions: The three most important functions of packaging are to contain and protect products, promote products, and facilitate the storage, use and convenience of products. A fourth function of packaging that is becoming increasingly important is to facilitate recycling and reduce environmental damage. According to Lamb and others (2004:305), packaging does more than identify the brand, list the ingredients, specify feature, and give directions. A package differentiates a product from competing products and may associate a new product with a family of other products from the same manufacturer. Packages use designs, colors, shapes, and materials to try to influence consumer's perception and buying behavior. (Lamb, 1994:318)

2.10. Labeling

An integral part of any packaging is its label. Labeling generally takes one of two forms: persuasive or informational. Persuasive labeling focuses on a promotional theme or logo, and consumer information is secondary. Price pfister developed a new, persuasive label-featuring a picture of a faucet, the brand name, and the logo-with the goal of strengthening brand identify and be coming a known as a brand in stead of as a manufacturer. Informational labeling gives such product information as durability, color, features, clean ability, core instructions and construction standards (Lamb, 1994:318-319).

2.11. New Product

A new product is any product which is perceived by the customers as being new however, this could involve repositioning of existing product or offering the existing product at low price, or making improvement in the existing product, or adding new product line which is totally new to the organization or new to the World (Booz and Allen, 1998:328).

As per Rudelius, (1994 cited in Bernadit. Z, (2001:21) stated the new product process is the sequence of activities a firm uses to identify business opportunities and convert them to sell goods and services. Therefore, the sequence begins with new product strategy development and ends with commercialization. Managing the process of new product development is an important factor in reducing cost, time and risk.

2.12. Significance of New Products

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

What even may be nature of operation of a company, product planning and development is necessary for its survival and growth in the long run. Every product has a life cycle and it becomes obsolete after the completion of its life-cycle. The most common product planning problem relates to the addition of new products involves generation of new product ideas, appraisal of various possibilities, economic analysis, product development, product testing, test marketing and developing markets. Another important problem of product planning is modification or elimination of existing product. The need for continuous modification of the product is great because society's needs are always changing, and improved products must be introduced to fulfill them. All products have certain deficiencies as they are the result of a great many compromises. The perfect product has get to be made. (Vs Ramaswamy, 2002:5)

Meeting Changes in Consumer Demand

In an age of scientific and technological advancements, change is an ubiquitous phenomenon change in food habits, charge in comforts and conveniences of life, change in social customs and habits, change in expectations and requirements. Any business has to be vigilant about

these changes taking place in its environment people always seek better things-better product and services, more convenience in products, more fashion and more value for money. A business firm has to respond to these dynamic requirements and these responses take the shape of new products and new services. Through such responses, the firm updates itself and stays closer to consumer.

Making New Profits

Pricing should evolve out of requirements of the firm and the extent of newness of the product

Pricing Strategy of New Products

New products pricing can not be a matter of a formula because it needs special approach. So basically pricing here should evolve out of:

- i. The firm's requirements in going for new product.
- ii. The extent of newness of the product (i.e the nature of the product firms' requirements in pursuing the new product.

To be a real innovator and to earn the rewards associated with innovation:

- To exploit a market need that is coming to the fore.
- To expand the product mix to ensure steady growth over the long term

Extent of newness of the product is the second major feature that will influence the pricing strategy. So this lead to two brand strategy in new product pricing. They are:

- Skimming pricing
- Penetration

In skimming pricing, the new product is priced high & the cream of the market is skimmed by concentrating on that segment that is not price sensitive. The skimming strategy can not suit all new product contexts. So for that pricing penetration will be the option, the intention of this strategy is to a broad market through low prices.

2.13. New Product Activities

Today, most companies found it virtually impossible to develop new products internally with in an organization framework designed to maintain and support existing product market operation. But the question is how new products activities can be organized with a minimum of new staff requirement in a company. To this question in their own way companies need to consider below mentioned activity according to. (Kumar, 2003:113)

Classification

According to Kotler, (1999:210) it will be necessary to identify the new product function and determine the degrees of product “newness” so that responsibility for each kind of new product could be assigned and classified with increasing market and technological newness. The classification of new product can be done on the basis of technological and market objective of the company.

2.14. Systematic Procedure for New Product

The generation of new product ideas is as important to the success of new products as is product development, testing, or marketing; successful new products are unlikely to emerge with out good ideas. Remond Hoas noted that most companies are continually searching for and evaluating new ideas. Sophisticated methodologies have been developed to screen new product. These are formulated in response to the questionable but fear-invoking attrition rates of new products (e.g. 80%) and their attendant costs. Many large firms have ongoing machinery for testing and screening new product candidates (New product department with development engineers, scientist, and market research analysts), where many of the individuals involved devote full time to the effort.

When a firm tacks a systematic procedure for generating new product ideas, the timing of idea inputs to the firm will be random. Therefore, at any one point in time the firm's portfolio of alternative ideas may or may not contain a sufficient number of "good ideas" which could lead to a successful product if properly developed and marketed. When good ideas are scarce, many marginal ones may be injected into the screening process. Out-of-pocket screening and marketing costs, loss of employee moral, and an opportunity cost from the cost associated with the product attrition and failure which usually occur. (<http://www.emeraldinsight.com>.)

Organizing Effectively For New Product Development

According to Jobber (2001:282-284) the building block of successful innovation is an appropriate organization structure. Most companies use one or the combination of the following method: project teams, product and brand managers, and new product departments & new products committees.

Project teams are involved in ringing together staff from such areas as R&D, manufacturing finance and market to work on unspecialized skills with combined effective team to develop.

Managing the New Product Development Process

According to Jobber, (2001:285) managing the process of new product development is an important factor in reducing cost, time and risk. Having a formal process with review points, clear new products goal and a strong marketing orientation underlying the process lead to greater success whether the product be a physical good or a service.

2.15. New Product Strategy

As per Lamb, (1994:320) is a plan that links the new product development process with the objectives of the marketing department,

the business unit, and the corporation. A new product strategy must be compatible with these objectives, and in turn, in all three objectives must be consistent with one, another. A new product strategies export of the organization's overall marketing strategy. It Sharpens the focus and provides general guidelines for generating, screening, and evaluating new product ideas.

The new product strategy specifies the roles that new products must play in the organization's overall plan and describe the characteristics of product the organization wants to offer and the markets it wants to serve.

2.16. Stages in Development Process

As per Etzel, (2006:129) guided by a company's new product strategy, a new product is best developed through a series of six stages. Thus at each stage management must decline whether to proceed to the next stage abandon. The product, or seek additional information where each stage has been labeled differently with respect to the company's new proposal.

2.16.1. Idea Generation

New product ideas comes from many sources, including customers, employees, distributors, competitors, research and development (R&D), and consultants. Customers the marketing concept suggests that customer's wants and needs should be the spring board for developing new products. Employees: marketing personnel advertising and marketing research, employees, as well as sales people often create new product ideas because they analyze and involved in the market place. Distributors, a well-trained sales force routinely asks distributors about needs that are not being met. Because they are closer to end users, distributors are often more aware of customer need than are manufacturer. Competitors: no firms rely solely in internally generated

ideas for new products. Big part of any organizations marketing intelligence systems should be monitoring the performance of competitor's products.

2.16.2. Idea Screening

As per Lamb, (1994:321) stated as after new ideas have been generate, they pass through the first filter in product development process. Screening which eliminates ideas that are in consistent with the organizations new product strategy or are obviously in appropriate for some other reason. Concept test are often used at the screenings stage to rate concept (or product) alternatives. A concept test evaluates a new product idea usually before any prototype has been created. Concept test are considered fairly good predictors of success for line extensions.

2.16.3. Business Analysis

According to Lamb, (1994:321) business analysis the second stage of screening process where preliminary figures for demand, cost, sales, and profitability are calculated. For the first time revenue cost are estimated and compared. The newness of the product, the size of the market and the nature of the competition all affect the accuracy of revenues projection. Analyzing over all economic trends and their impact on estimated sales is especially important in product categories that are sensitive to fluctuations in business cycle.

2.16.4. Product Development

In this stage the product idea will be converted in to actual sample physical product known as prototype. Although the product is not directly to absent the production department/rather pilot model or small quantities are manufactured to designate specification of prototype testing. Beside this, laboratory test and other necessary technical evaluation are made to determine the production feasibility, (Alazar cited in Bernadit. Z, 2001:24)

2.16.5. Market Testing

As per Kotler, (2006:285) mentioned the next stage in new product development stage is that, if the product possesses functional and consumer test, the next step will go to market testing, it is a stage at which the product and marketing gives the marketer experience with marketing the product before going to the full introduction. Therefore, it lets the company test the product and its entire marketing program. Finally, full scale of production and marketing programs will be planned and then implemented.

2.16.6. New Product Concept

Product and brand manager these managers are responsible for their success and have the task of coordinating functional areas (production sales, advertising & marketing research) also for developing of new often overseas the process and services to give projects a high corporate profile through the stature of its membership.

2.16.7. Commercialization

The product is brought to the point of commercialization positioning and launching it in full-scale production and sales. Because of the many steps involved in developing new products, bringing a new concept to this stage involves many delays and significant expense.

The cost of commercialization has increased for many consumer product companies as retailers have begun to require special payments. Because space is limited in many stores, particularly supermarket, many retailers require manufacturers to pay a slotting fee, a payment a manufacturer makes to place a new item on a retailer's shelf. (Kerin and others, 1994:309)

What is a “New” Product?

Product that are really innovative truly unique. Replacements that are significantly different from existing products in terms of form, function, and must important benefits provided. Initiative products that are new total particular company but not new to the market.

2.17. New Product Adoption and Diffusion

The adoption process is the set of successive decisions an individual person or organization makes before accepting an innovation. Diffusion of a new product is the process by which an innovation spreads through a social system over time. By understanding this process, 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 introduced, later on, or never, (Stanton, 2001:231).

2.17.1. Stages in Adoption Process

As per Walker and others (2001:231) a prospective buyer goes through six stages in adoption process – deciding whether to purchase some things.

Stages: Activity in that stage.

Awareness: Individual is exposed to the innovation; becomes a prospect.

Interest: Prospect is interested enough to seek information.

Evaluation: Prospect judges the advantages and disadvantages of a product and compares it to alternatives.

Trial: Prospect adopts the innovation on limited basis. A consumer tries a sample, if the product can be sampled.

Adoption: Prospect decides whether to use the innovation on a full-scale basis.

Confirmation: After adopting the innovation, prospect becomes a user who immediately seeks assurances that the decision to purchase the product was correct.

2.17.2. Adopter Categories

Some people will adopt an innovation soon after it is introduced, others will delay before accepting a new product, and still others may never adopt it. Research has identified five innovation adopter categories, based on when in the life of a product individuals adopt a given innovation, (Stanton 2001:231).

Innovators: Representing about 3% of the market, they are venture some consumers who are the first to adopt an innovation; they are young and have higher social and financial status. Thus the early adopters are greatly respected in their social system and include more opinion leaders, (Stanton, 2001:231).

Early Majority

The early majority, representing about 34% of the market, includes more deliberate consumers who accept an innovation just before the “average” adopter in a social system. And rely quite a bit on ads, sales people, and contact with early adopters. (Walker and other 2001:232)

Late Majority

The late majority, another 34% of the market, is a skeptical group of consumers who usually adopt an innovation to save money or in response to social pressure from their peers. They rely on members of the early and late majorities as sources of information. Advertising and personal selling are less effective with the group than is word-of-mouth communication, (Stanton, 2001:232).

Laggards

Laggards are consumers who are bound by tradition and, hence, are lost to adopt an innovation. They comprise about 16% of the market. Laggards are suspicious of innovations and innovators.

Commercialization

A product is a good service, or idea consisting of a bundle of tangible and intangible attributes that satisfies consumers and is received in exchange for money or some other unit of value. (Kerin and others, 1994:289)

2.18. Reason for new Product Failures

New products are the lifeblood of a company and keep it growing, but the financial risks are large. Before discussing how new products reach the stage of commercialization when they are available to the consumer, we will begin by looking at what a new product is.

Why products fail many factors contribute to new product failures or are symptoms of them: in compatibility with the firm's objectives and capabilities, competition that is too tough, lack of top management support and lack of money. (Kerin, 1994:293)

2.18.1. Inadequate Differentiation or the Me-too Syndrome

The most common reason for failure is that the marketers launch products which are simply clones of brands already in the market. These new products fail to stand out in the crowd. In fact, often lack of imagination prevents marketers to create a significant difference with the existing options. A product entering the market is merely a version of an idea. The product will soon change again in response to market place or production pressures. The marketed product has attributes that were added at different times, from original ideation, through R&D, and through commercial evaluation. The system is like an auto assembly line.

A last-minute repositioning by the advertising department may change a product more than the engineer's activities did. (Vs Ramaswamy and S. Namakurari, 2001:5)

2.19. Appropriate Pre-Conditions for New Product

According Kumar, (2003:26) in order to be successful in the market must meet specific criteria and this includes identification of right market segment, protect and build corporate image, establish good marketing strategy, produce keeping in view the "consumer in mind", cope up with the current environment, conduct periodic marketing research to keep track on competitive situation, and periodic review at each stage new product development, establish good distribution network, pay more attention for new product improvement, consult outside experts for continuous growth, inter action with all the functional areas of management.

Chapter Three

Data Presentation, Analysis and Interpretation

This chapter deals with the presentation analysis and interpretation of the data gathered from customers, employees & managers of Ambassador garment and trade Plc. These data were obtained through questionnaires and interviews.

The questionnaires were distributed to customers of employees of Ambassador Garment and Trade plc and the interview were held with marketing manager of the company.

And the rate of return for the questionnaires were 95% that means out of the total of 200 questionnaires distributed 190 questionnaires were filled and returned back. From employee the rate of return 100 % that means out of 50 questionnaires 50 were filled and return back.

3.1 General Characteristics of the Respondents

Table I. Below shows the general characteristics of the respondents which include Gender, Age distribution of the respondent's background and occupation.

Item	Issue	No. of respondent	%
1	Gender		
	- Male	160	84.2
	- Female	30	15.78
	Total	190	100
2	Age		
	- 18-29	36	18.95
	- 30-39	42	22.1
	- 40-49	78	41.06
	- 50-59	20	10.95
	- > 60	14	6.94
	Total	190	100
3	Educational Background		
	- high school	12	6.31
	- certificate	28	14.73
	- diploma	41	21.5
	- degree	42	22.1
	- others	67	35.26
	Total	190	100
4	Occupation		
	- merchant	40	21.05
	- office work	80	31.57
	- unemployed	10	5.27
	- other	60	31.57
	Total	190	100

As it can be seen in the item 1 of table I above 30 (16.05%) of the respondents were female and 160 (83.95%) of them were male. According to the above figure it looks that the majority of the respondents were male. The possible explanation why male were dominant users of the product is the company's product is for men's mostly.

In relation to age category as shown in item 2 of the same table respondent from age 18-24 companies 36 (18.95%) from age of 30-59 companies 20 (10.95%) of the total respondents. Therefore the finding from the age profile of the respondents indicates that the majority from the age profile of the respondents indicates that the majority of the respondents were between the ages of 40-49. Thus it is possible to say that ambassador products highly forward by the customers who are found this specific age group which includes office workers of and merchants.

When we come to the educational background by the respondent 12 (6.32%) of them were from high school, 28 (14.47%) of them were certificate holders 41 (21.5%) of the were diploma holders and which includes less educated part of the society. This figure tells us all can give sound information to the study, since the majority have completed grade 12 so it can be easy to get accurate or most reliable data or information.

Concerning the occupation types of it is shown in item 4 of the table 40 (21.05%) comprised of merchant/business person), office workers constitutions of 80 (42.11%) and the rest of the respondent comprised of 80 (42.11%) of the total respondent which includes office workers merchants who use more their products because their work will lead them to dress kind of clothes mostly as it can be depicted item 4 of the table.

Customer Evaluation towards Ambassador Product

Table II. Customers Evaluation product of Ambassador

No	Item	Respondents	
		No	Percentage
1	Do you think the company's new product development system have a factor on its market share? A. yes B. No	120 70	63.15 36.85
	Total	190	100
2	Have you ever try or analysis competitor's offers? A. yes B. No	80 110	42.20 57.90
	Total	190	100

As shown on table II above respondents were asked about the factor of new product development on the market share by Ambassador 120 (63.15%) of the respondents replied "yes", and 70 (36.85) replied "No". This figure implies that the majority of the respondents were said that a new product development have an impact for the company's market share it implies that do have large market share the company will come or connect with developing of new product.

As respondent replied developing of new product is presenting new offer to customer. As long as human needs and wants are not limited even if you bring today new product or style the expect more for tomorrow so that, market share of the company have a positive relationship with developing of new product. We can say that development of new product have factor on a companies market share

On the same table item 2 table II customers were asked whether they try or analyze compotators offer. 110 (57.89) of the respondents replied "yes" and 86 (42.10) replied "No" this implies that customers are try to find a product which will met their needs that means the current company's product did not met their need so the company's manager should emphasis on products problem and quality variety area to bring the customers to the company at large by meeting their needs.

3.2 Analysis of the Findings of the Study

This research study tries to investigate Ambassadors capability towards new product development from both customer point view as well as employed manager of the company as well.

Accordingly, various questions were poses to sample respondent feedback compliant handling methodology of Ambassador Product and quality related issues. Thus in this section response from customers and company manager or employees are presented, analysis and interpreter as follows.

3.2.1 General view of customers to the company's product

Table III General view by customers towards company product

No	Item	Respondents	
		No	Percentage
1	Since when have you been using ambassador?		
	A. 1-3 years	72	37.90%
	B. 4-3 years	69	32.10%
	C. 7-9 years	27	14.22%
	D. > 9 years	30	15.78%
	Total	190	100
2	Have you ever been used other than Ambassador's product		
	A. Yes	160	84.22%
	B. No	30	15.78%
	Total	190	100
3	How do you get the quality of Ambassadors product?		
	A. very high	10	5.74%
	B. high	25	14.36%
	C. medium	44	25.29%
	D. low	70	39.65%
	E. very low	26	14.94%
	Total	190	100

figure given on item I of table III it's some how they will tell about and in the table item No 1 customers were asked that when they become customers of Ambassador product and respond accordingly 72 37.89% of the total customers were using Ambassadors product starting from the year 1-3, 61 (32.10%) were using starting from 7-9 year and the remaining of the customers were using Ambassadors product and the remaining this depicts that the majority of the respondents were 4-6

year. On the same table in item 2 table II customers were asked to whether they have been using product of others than Ambassadors and they respond accordingly 160 (84.21%) of them respond “yes” 30(15.78%) of them replied “No” this indicates that the majority of these respondents have been using other company’s product because they are unsatisfied with the current offer of the company’s product so we can say that even through the Customer are unhappy which is 84 (78%) of customers are in need of zero, advance of design, style, color seekers and it is explained further in the review of related literature. As respondent replied on the open ended question because they are unsatisfied with the companies product they are trying to get what they need from different companies. Because the company didn’t fulfill their needs and wants.

In relation to this an interview was made with the company’s marketing manager, and he replied that to be frank before they didn’t have well organized plan in developing of new product and they were not conducting sufficient research in the area but now as they told me they are putting the maximum effort to make up to their customers needed and want and to go accordingly to expand this factory and others thing to be done.

When we associate the findings with theory over quality, quality was called “the single most critical factor for business to survive in the ever expanding and competitive global market place also with quality you can gain a differential advantage. So serve adequate productive quality with superior customer service, firms should adopt this view point as a supplement.

On the other hand in same table 3 respondents were asked to rate Ambassador Product quality. 10 (5.74%) has choose very high level of the product 24, (14.36%) of them has choose a high-level to companies product 44 (25.24%) of them chose medium and 69 (39.65%) were choose low level, 32 (14.94%) of them has very low level perception

towards Ambassadors the product this indicates raw materials usage in the production process and study looking others company product quality their raw material & finishing process. Because (25.24%) (39.65%) of the group response lies between medium to very low and the production strategy and mechanism should be taken to consideration when its customers specification while reengineering the designs & fashion of the product.

3.2.3 Customer evaluation towards Ambassador Product

Table IV Customer Evaluation related with the product of Ambassador Garment and trade PLC

No	Item	Respondents	
1	How do you evaluate the company's new product of effort?	-	-
	a. very high	20	10.52
	b. high	75	39.47
	c. medium	60	31.58
	d. low	35	18.43
	e. very low		
	Total	190	100
2	How do you evaluate products availability in the market?	70	21.05
	a. very high	60	31.57
	b. high	40	36.86
	c. medium	15	7.90
	d. low	5	2.63
	e. very low		
	Total	190	100
3	How do you get the quality of Ambassador product?	-	-
	a. very high	60	31.5
	b. high	81	42.64
	c. medium	40	21.05
	d. low	9	4.74
	e. very low		
	Total	190	100

As it can be seen from table IV item 1 respondents were asked evaluate the company's effort towards producing new product. Among the total respondents 20 (10.52%) of them replied high 75 (39.47) of them replied medium (10.52%) of them replied were replied very low. This situation tells us medium and low customers responses which constitute 71.05%.

There fore this implies that the company indicated that in

the literature new product development core or vital for the company growth and development based on that the company should plan and development based on that the company should plan and emphasize on new product development for the see key its customer needs and satisfaction.

Item two of the same table according to the information on the question raised related to the availability the product in the market, 70 (36.85%) had very high level of evaluation on the product availability 60 (31.57%) of the replied high 40 (21.05%) of them replied medium and the rest of them low and very low consist 10-52%. There fore this implies that the company's product availability is in good situation so it's crucial for the customer and the company to make it available easily accessible. So the company should also make it more accessible in a future also.

As revealed in item IV of the same table, customers were asked about the products quality and the replied accordingly. 60 (31.57 % (of them replied high 81 (42.64) medium 40 (21-05%) low and finally 9 (4-74) very low. This implies that the company need to continue with it's quality or a goal profit it strength by keeping the quality to 100% to fulfill its customer need or demands.

V. Customer perspective towards a product

No	Item	Respondents	
1	Do you Think Ambassador's product after match with your preference with below mentioned factors?		
	Design Attractiveness		
	a. Very high	-	-
	b. High	11	5.79
	c. Medium	127	66.58
	d. Low	30	15.78
	e. very low	22	11.58
	Fissionability		
	a. Very high	-	-
	b. High	11	5.79
	c. Medium	127	66.58
	d. Low	30	15.78
	e. very low	22	11.58
	Durability		
	a. Very high	-	-
	b. High	100	52.63
	c. Medium	87	45.78
	d. Low	3	1.58
	e. very low	-	-
	Total capability of meeting with your need		
	a. Very high	-	-
	b. High	11	5.79
	c. Medium	127	66.85
	d. Low	30	15.78
	e. very low	22	11.58
	Total		

One way to satisfy customers and gain a differential advantage is through product design, which refers to the arrangement of elements that collectively from a good or service good attractive design can improve the marketability of product by making it easier to operate, upgrading its quality, improving its appearance and/or reducing production costs.

As it can be shown from table item 1 respondents were asked to rate the design attractiveness of the Ambassador Garment & Trading P.L.C product. Among total respondents 18 (9.48%) of them replied high. 62 (32.63%) of the respondents attractiveness is know and the remaining respondents replied 62 (32.63) answered to design attractiveness is low and the remaining respondent choose 36 (18.94%) comprised very low category. This figure shows that 74 (38.95%) of the majority of the respondent rate the companies product as medium.

This shows that the company product design in average level with customers expectation. For this reason the company need to take a continues customer need assessment so as to meet with their expectation.

With respect to the product colour choice respondents rate the company product colour accordingly 60 (15.79%) of respondents replied medium 60 (31.58%) answered low and the remaining indicated 70 (36.84%) rate it very low.

And this finding indicates that the company product color is not as per respondents expectation so there is need to change the color variety of the existing product by adding more color variety by using different advanced technology. A fashion is any style that is popularly accepted or purchased by successive group's people over a reasonably long period of time to be considered a fashion or to be called 'Fashionable' a style must be accepted by many people. Fashion is rooted in sociological and psychological factors. Basically most of us are conformists. At the same time, we yearn to look and act a little different from others because fashion furnishes the opportunity for self expression. When we associate this theory as it's seen on the same table customers were responds regarding the fashionability of the product. Thus 11 (5.79%) replied high 127 (66.58%) of them replied medium 30 (15.78%) of them replied low

and 22 (11.58%) of them replied very low. This figure implies that the fissionability of the company's product as medium which constitute (66.58%) this finding suggest that the company product fissionability is an average level with customers view. For the reason the company need to make study on customers need with their expectation in the some table customer's responses regarding to the products durability. Thus 100 (52.63%) rate and replied high 87 (45.78) of them replied medium 3 (1.58%) of the respondent replied low.

This situation tell us that the sum of high and medium customer response which constitute 98.41%. Therefore, this implies that the company products are superior on durability. As it is indicated in the reviewing related literature durability is the measure of the expected operating life under natural or stressful condition.

On the some table according to the question raised related to products capability with meeting the customer need 11 (5.79%) had high level of evaluation of the same table 127 (66.85%) of them had a medium level of evaluation of the same table 127 (66.85%0 of them had a medium level of evaluation. 30 (15.8%) of them had low and 22 (11.58%) of the company customer had a very low level evaluation. From the customer witness we can say that the majority (66.85%0 of the respondent choose medium and low level. There fore the company needs to give consideration on its product offer to the market by giving due attention to research and development team.

3.4 Employ attitude towards ambassador's product

Table VI. Employees attitude towards the product of Ambassador

No	Item	Respondents	
		No	Percentage
1	Do you think that you are factor of new product development		
	a. yes	41	82%
	b. No	9	18%
	Total	50	100%
2	How do you evaluate the overall product quality?		
	a. very high	9	18%
	b. high	11	22%
	c. medium	15	30%
	d. low	8	16%
	e. very low	7	14%
	Total	50	100

As shown in table above respondents were asked about new development and if they were factor for it. And 41 (82%) of the respondent replied “yes” and 9 (18%) replied “No” for produce development. This figure indicates that the majority of them in the company and this are implies that the company had give a chance for all employees to entertain ideas for developing new product.

As it can be seen from table VI item 2 respondents were asked to evaluate the overall quality of the product. Among the total 9 (18%) very high respondents 11 (22%) replied high. 15 (30%) of the respondents quality and the remaining respondent replied 8 (16%) low and 7 (14%) very low. This implies that 15 (30%) medium the company should process for competitive advantage and to exceed customer expectation.

3.4.1 Complaint handling mechanism of Ambassador Garment and Trade Plc

Table VII. Ambassador's complaint handling Practice

No	Item	Respondents	
		No	Percentage
1	How long you stay in the company		
	a. 0 years and above	-	-
	b. 1 year	10	20 %
	c. 2 years	17	34 %
	d. 4 years	15	30 %
	e. Above 5 years	8	16 %
	Total	50	100
2	Have you ever had any kind of complaints?		
	a. yes	27	54 %
	b. No	23	46 %
	Total	50	100
3	To who did you complain?		
	a. To manager	32	64 %
	b. To R&D team	18	36 %
	c. To complaint handling respondent	-	-
	d. To other department	-	-
	Total	50	100

According to the information in item 1 of the table VI above majority 167 (87-89%) respondents had compliant towards the company product. In contrast the remaining 23 (12.1%) of the respondent had never complied the company's product weakness as it can be seen from the above table 14 (7%) of them respond "No" and the remaining 27 (54%) of respondent responded 'yes" so the majority of respondents had on experience in communicating their complaint respondents had experience in communicating their compliant to the company. And we can say that ambassador doesn't give much consideration in receiving customers question or compliant. Though it is main source to idea generation. Therefore it possible to deduct the company tail to use product development and in proving the existing. And it ids further experience the reviewing related literature part.

In the save table VI item 2 compliant handling mechanism of Ambassadors garment trade plc regarding to who you complaints question reside customers majority 32 (64%) of the respondents address

their complaint to one of the staff member and the remaining 28 (56%) of them forwarded their complaint to the manager. This implies that the company need to communicate with its customers regarding where and to whom the customers should communicate with its customers regarding where and to whom the customers should communicate their complaint or question so that the company after meeting with customers existing development product from suggestion of customers.

According to the information in item 1 of the table VII above majority of 167 (87.89%) respondent had a complaint towards the company product. In contrast the remaining 23 (12%) of the respondent had never complained the company's pre-cut weakness. From this figure we can say that Ambassador doesn't give much consideration in receiving customers question or complaint. Though it is main source to idea generation. Therefore it is possible to deduct that the company of new product development and improving existing. And it is further explained in the review of related literature part.

In table complain handling mechanism of Ambassador regarding to whom you complain question raised to customers majority 32 (64.00%) of the respondents address their complaint the manager of marketing and the remaining 18 (36%) of them forwarded their the company need to communicate with its customers regarding where and to whom the customers should directly communicated their complaint or question so that the company offer will meet with also from this we can understand that giving quick response to customers complaint will result in better customer satisfaction and had significant influence on the company's market share and profitability.

And the final open ended question asked raised to the respondent was to suggest their ideas with regard to new product development. Must responds concert offered on un pleasant design of the product, color charging of the design at least close to modern style of the product variety of the product and finally better promotion arrange some kind of

improvement and redesigning method like adopting new advanced technology adding some good feature offering with different variety also for women to product new product new product and make other new customers. Different color variety, style, fashionability as we mentioned it before in the review of related literature to is the main source of idea generation.

- What is the major procedure in developing or inventing new products in your company?

According to the marketing manager the company have a problem of developing and invested their products by the following the steps. And out they uses separately.

The new product developmebt process start with idea generation and next ideas screening which reduces the number of ideas based on the company's own criteria and lack of professional who have the company's own criteria and lack of product. And ideas that post the screening stage continue. Through product concept development, in which a detailed version of the new product ideas stated in meaningful consumer terms in the next stage, concept testing and new product concepts will be tested with a group of target customers. This infer that ambassador garment and trade plc do not use the formal procedure properly in developing of new product.

- What kindly strategy does the company uses?

The marketing managers stated that, the company strategy is focused on customer and employee based but more focused on customer because to feel and understand or study the needs and wants the customer and their preference, taste, satisfaction to go accordingly. What means to best their competitors by giving to the market different variety and new style of product. To succeed in to day's competitive market place so company needs to be more customers centered. But also giving a good working environment to their employee as because employees are a port of to

develop new product and for the companies strength, development and profitability also by delivering greater value to customers to win competitors. It implies that Ambassador Garment & Trade Plc. Strategies focused on both customer and employee.

To what extent the company goes to conduct technological advertisement. The manager states that Ambassador Garment and Trade PLC occupied with a test technology imported from Japan and Korea to build capacity.

Thus, now a day's technology is dramatically changing the nature of the product. This change initiate the company enters into the production to produce a variety of product and introduced machineries or operational tools for the company. Although Ambassador garment and trade Plc has been build their company with their computerized with interchange some time manually machinery and skilled professional stylist manpower to facilitate the production system.

- What action should the company must take in order to develop or design the new product to satisfy customer's Need?

The manager replied that, the company take an action to change the style, colour and the promotional of the product to produce more preferable product by the customer with eye caching way on the company produce with affordable price design style and colour attractive product.

- How you tackling the problem in developing and marketing the product to sustain in the market.

According to the marketing manager of the company the tries to solve the problem with related to new product development process to crate awareness & flash for its customers about the product of the company. And through different promotion about their product this implies that the company handling of the problem need more than promotion it needs problem solving strategies.

Chapter Four

Summary, Conclusion and Recommendation

From the analysis and interpretation made in the previous chapter, the following summary, conclusion and recommendations are drawn up

4.1 Summary of the Major findings

Generally, the customer respondents are diversified in gender, age, educational background and occupation. Thus based on the findings the majority of them were between the age group of 40-49 sex distribution were dominated by male, unemployed merchants are incorporated.

- According to the response of customers towards product, how long they have been using and quality of the product, the majority of the respondent lies between 4-6 years and with regard to product quality the majority respondent were measured it 69 (39.65%).
- In relation to customer attitude towards the Ambassadors product the majority of respondent consisting 120 (63.15%) does see the significant factor of new product development on the company's market share.
- According to customer's evaluation towards the company's effort to produce new product and to what extent and when it measured it is in high scale that are 75 (39.47%).
- In relation to products capability in meeting customer need to scale is in medium that are 127 (66.85%) it is in average but it should be high level as far as the company's related to need and want satisfaction business.
- In relation to accessibility of product majority of respondent measured it 70 (36.85%) get it very high.
- With regard to customers response towards fashionably ambassador product majority of the respondent 127 (66.58%) replied medium and

durability of product majority of respondent 100 (52.63%) rated high the products durability of the company have superior position in the market on the issue of durability.

- In relation to design attractiveness of the product the majority of respondents measured it as medium 127 (66.58%).
- And finally in relation with customer compliant handling practice most of the customer had a complaint consisting of 32 (64.60%) and some of them complained to the manger and others to research and development department and the rest of them had never communicate their complaint due to not giving a considering to the company feedback handling mechanism as a source for modifying existing and developing new product.

4.2 Conclusions

Based on the objective of the study and the research findings obtained through the survey conducted with the company's customers and employees student researcher can conclude that the company's new product development practice is experiencing many better aspects and also weak sides.

- As it is revealed in the research findings of ambassador products in general have not good quality in terms of the benefit that they can give to consumers of the company's product.
- According to the findings majority of the respondents claim in relation to meeting the customer needs and wants; the company is incapable of it. Because in modern marketing understanding the needs and wants of target customers is important. So as to produce according to customer specification it can leads a company to have a better position on the market and in the eyes of its customer.
- Most of the respondents also replied that the company has no Variety of colors that can meet the choice of the customer. This can also are attribute for product quality which mean failure in color and style may also lead to product quality failure and it push customer away far from the company to satisfy its need.
- The company doesn't follow the formal strategy of new product development process and its stages starting from idea generation up to commercialization.
- In relation to the company's compliant handling mechanism the majority of them have complained that the company's compliant handling is poor. And improper complaint handling as we now it can really dissatisfy and push customers to look out and find what they lost from this company. So the company should give due

attention for customer complaint so as to be competent in the market.

- According to respondents products, fissionability, style, design availability and brand awareness make the company strong and preferable.
- Generally, the respondent perceives the product of Ambassador suit is popular previously and now, but now things are changing specially imported suit which provide better color variety, style, fashion so the company should have to review properly its system and cop-up with the imported one's before they low their customers.

Recommendations

According to the majority findings that have been discussed so far the following point are recommended by the student research.

- The company should have systems that are applicable in developing of new product such as product development department idea generation mechanism.
- The company should try to avoid some problems related to new product development that are formal stage of new product development which will affect development of new product.
- The company should have a system to control the over all quality of the product and their strategy implementation.
- The company should give due consideration to have females product also. So as to over come problem related with the company's product limitation in gender. In addition to this as much as possible it should try to pull up its capacity for producing of better quality of product by addressing the societies in every angle.
- The company should have to plan to improve its product, design color choice; quality based on its customer needs and wants so as to have better relationship with its customer and the environment as well.
- The company should have to follow the formal stage of new product development and for improving the existing one
- The company should have a strategy that are applicable in developing new product and have a specific department for analyzing the idea generation and the stage that should be taken for the developing it.
- The company should have do build its capacity so as to improve its ability to outsiders to avoid the problem of raw material quality and color variety.
- The company should have to appropriate and formal that any one can understand to handle complaint of customers way for handling

complaint and adjust its way or mechanism because as it stated earlier poor complaint handling may push customers too there hand.

- The company should have to assess the over all activities for the work that has been done in the company. So as to come up with new strategy that can suit the company and lead to the road of success.

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Appendices

Appendices A

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Appendices B

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Appendices C
St. Mary's College
Faculty of Business

Department of Marketing management

Questionnaires to be filled by Ambassador Garment and Trade Plc.
Users.

This questionnaire is prepared by a student researcher, prospective graduate of year 2010 in marketing management to collect information for the partial fulfillment of a senior essay. And the main objective of this questionnaire is to evaluate the new product development strategy of Ambassador Government and Trade P.L.C there fore you are requested sincerely to fill this questionnaire honestly and with due care because of the correctness of the answers will have value of importance for the outcome of the research.

General Instructions

- Do not write your name
- Put ✓ mark on best answer
- If the question is related to your personal opinion write shortly on the space provided.

Part 1: General Characteristics of the Respondent

1. Sex:

A. Male B. Female

2. Age:

A. 18-29 C. 40-49 E. >60
B. 30-39 D. 50-59

3. Education Background

A. Elementary D. Diploma
B. E. Degree
C. Certificate

4. Occupation

A. Office job C. Unemployed
B. Business person D. Other, please specify

Part II. Question Related With Customer about the Product

1. How do you evaluate the company's new product development effort?

- A. Very high D. Low
B. High E. Very low
C. Medium

2. Since when have you been using Ambassadors Product?

- A. At least 1-3 years
B. At least 4-6 years
C. At least 7-9 years
D. Above 9 years

3. Have you ever been used other than Ambassador's product?

- A. Yes
B. No

4. If your Answer for question No 3 is "Yes" please specify? _____

5. How do you get the quality of Ambassador's product?

- A. Very high C. Medium E. Very low
B. High D. Low

6. Do you think Ambassador's product after match with your preference with below mentioned factors?

	Very High	High	Medium	Low	Very Low
A. Attractiveness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Color choice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Fissionability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Durability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

E. Total capability of

Meeting with your need

7. How do you evaluate the product's availability in market?

A. Very high C. Medium E. Very low

B. High D. Low

8. Do you think the company's new product development system have a factor on its market share?

A. Yes

B. No

9. If your answer for question No. 7 "Yes" please specify? _____

10. How do you rate yourself in relation with other product user of the company?

A. Very high user D. Low users

B. High user E. Very low users

C. Medium user

11. Have you every try or analyze competitor's offers?

A. Yes

B. No

12. If your answer is "No" for the question No. 11 please specify? _____

Appendices D

St. Mary's College

Faculty of Business

Department of Marketing management

Questionnaires to be filled by Ambassador Garment and Trade Plc. Employees.

This questionnaire is prepared by a student researcher, prospective graduate of year 2010 in marketing management to collect information for the partial fulfillment of a senior essay. And the main objective of this questionnaire is to evaluate the new product development strategy of Ambassador Government and Trade P.L.C therefore you are requested sincerely to fill this questionnaire honestly and with due care because of the correctness of the answers will have value of importance for the outcome of the research.

General Instructions

- Do not write your name
- Put ✓ mark on best answer
- If the question is related to your personal opinion write shortly on the space provided.

Part 1: General Characteristics of the Respondent

1. Sex:

A. Male

B. Female

2. Age:

A. 18-29

C. 40-49

E. >60

B. 30-39

D. 50-59

3. Education Background

A. 12th Complete

D. Degree

B. Certificate

E. If other specify _____

C. Diploma

4. Occupation

A. Production department

D. Designing department

B. Research and development department

C. Tailoring department

E. If other specify

Part II Question related with employees on product?

5. How long you stay in the company?

A. 0 year and above

D. 4 years

- B. 1years E. Above 5 years
C. 2 years

6. Have you ever had any kind of complaint on the company's product?

- A. Yes
B. No

7. If your answer for question No.2 is "Yes" what do you do please specify? _____

8. To whom did you complain the customers complain?

- A. To the manager C. To complaint handling department
B. To R&D Team D. To other department

9. Do you think that you are factor of to develop new product?

- A. Yes
B. No

10. If your answer is "Yes" for question No 5, How? _____

11. How do you evaluate the overall product quality of the company?

- A. Very high D. Very low
B. High E. Low
C. Medium

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Interview Questions

**This interview questions are prepared for marketing managers of
Ambassador Garment and Trade P.L.C.**

1. How do you see the impact of new product development on market share?
2. What are the problems encountered in developing new product?
3. To what extent the company goes to conduct the fashion in now days?
4. How does your firm handle customer compliant?
5. What the major procedure in developing or inventing new products in your company?
6. What kind of strategy does the company uses?
7. To what extent the company goes to conduct technological advancement?
8. What action should the company must take in order to develop or design new product to satisfy its customers need?
9. How you tackling the problem in developing and marketing a product to sustain in the market?