

MINISTRY OF HIGHER EDUCATION AND SCIENTIFIC RESEARCH

ECOLE SUPERIEURE DE COMMERCE

A Thesis submitted in Partial Fulfilment of the Requirements for Master's Degree in Commercial Sciences

Option: Marketing and Communication

THEME:

**Analysis of new-product launch on
the dishwashing liquid market
Case Study: PRIL ISIS GOLD**

Elaborated by:

Ms. Insaf MEKKI

Supervised by:

Dr. Mohamed Nabil BERSALI

Internship site: Henkel Algeria, Algiers

Internship period: From 17/02/2019 to 17/04/2019

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Dedication

This thesis is wholeheartedly dedicated to my beloved parents, who have been my source of motivation and inspiration and gave me strength when I thought of giving up, who continually provide their moral, spiritual, emotional, and financial support. I pray ALLAH to bless them, to watch over them, hoping that they will always be proud of me.

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Insaf

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Abstract

Every company that wants to preserve its market share has only to resort to innovation and creativity. However the modernity of an offer is not the only way out, it is the concept that this offer brings and the value that it delivers for consumers.

It is from this perspective, that Henkel Algeria builds its strategy on improving diversity; focusing on innovations, and developing products based on consumers' insights.

The aim of this research is to track the launch of a mass market product in the premium segment, in order to detect the difficulties encountered during its commercialization.

In the theoretical part, we have treated the theoretical foundations concerning the launch of a new-product. In the practical part, we have described and examined the process of launching the new-product to understand how the launch of a premium offer was done; furthermore, a survey was conducted by means of a questionnaire administered to a sample of women, in order to analyze their feedbacks towards the launch of this new product.

This study is important because it allows us to demonstrate the importance of marketing studies for the resolution of marketing challenges that face companies in Algeria.

Key words: Innovation, innovative products, consumer behaviour, new product development process, marketing strategy development, monitoring and control, premium product.

ملخص

على كل شركة ترغب في الحفاظ على حصتها في السوق اللجوء إلى الابتكار والإبداع. على الرغم من أن حداثة العرض ليست هي المخرج الوحيد ، فهي الفكرة التي يجلبها هذا العرض والقيمة التي يقدمها للمستهلكين

من هذا المنظور ، تبني هنكل الجزائر إستراتيجيتها على زيادة التنوع ، التركيز على الابتكارات، وتقديم منتجات على أساس رؤى وملاحظات المستهلكين

إن الهدف من هذا البحث هو تتبع إطلاق منتج واسع الاستهلاك في القطاع الراقي ، من أجل اكتشاف الصعوبات التي صودفت خلال تسويقه

في الجزء النظري ، تعاملنا مع الأسس النظرية المتعلقة بإطلاق منتج جديد ، أما في الجزء العملي ، تم وصف وفحص عملية إطلاق المنتج الجديد لفهم كيف تم إطلاق عرض متميز ؛ علاوة على ذلك ، تم إجراء دراسة استقصائية عن طريق استبيان وزع على عينة من النساء ، من أجل تحليل ردود الفعل تجاه إطلاق هذا المنتج الجديد

هذه الدراسة مهمة لأنها تتيح لنا إثبات أهمية الدراسات التسويقية في حل مشكلات التسويق التي تواجهها

الشركات في الجزائر

الكلمات المفتاحية: الابتكار ، المنتجات المبتكرة ، سلوك المستهلك ، عملية تطوير المنتجات الجديدة ، إستراتيجية التسويق ، والرصد والمراقبة ، المنتج المتميز

Résumé

Chaque entreprise qui veut préserver sa part de marché n'a qu'à avoir recours à l'innovation et la créativité, mais la modernité d'une offre n'est pas la seule issue, c'est bien le concept et la valeur qu'elle apporte aux consommateurs.

C'est dans cette optique que Henkel Algérie construit sa stratégie, visant à accroître la diversité, à se concentrer sur l'innovation et à proposer des produits basés sur les aperçus et visions des consommateurs.

L'objectif de cette recherche est de suivre le lancement d'un produit de grande consommation sur le segment premium, afin d'identifier les difficultés rencontrées lors de sa commercialisation.

Dans la partie théorique, nous avons traité les fondements théoriques qui concernent le lancement d'un nouveau produit. Dans la partie pratique, nous avons décrit et examiné le processus de lancement du nouveau produit afin de comprendre comment le lancement d'une offre premium a été effectué. Par ailleurs, une enquête a été réalisée, à travers un questionnaire administré à un échantillon de femmes afin d'analyser leurs retours vis-à-vis le lancement de ce nouveau produit.

Cette étude est importante car elle nous permet de démontrer l'importance des études marketing pour la résolution des problématiques d'ordre marketing aux quelles font face les entreprises en Algérie.

Mots clés : Innovation, produits innovants, comportement du consommateur, processus de développement de nouveaux produit, développement de la stratégie marketing, surveillance et contrôle, produit premium.

General Introduction

General Introduction

In Algeria, the globalization of trade and the transition from a planned and monopolized economy to a market economy have completely disrupted the national economy, through the emergence of private investors and foreign direct investors, which has led to increased competition. To cope, the current environment imposes to all firms in Algeria the necessity to keep their market shares and to develop others if possible.

On the other hand, the suspension of imports by the Finance Act 2018 as part of the framework for foreign trade supervision, has boosted the initiative of local production, improved the competitiveness of local products over imported ones, and has also led them to invest in novelty and innovation.

This initiative requires the prospection and search for products that better meet the needs and expectations of consumers, who are increasingly demanding and expecting more efficient and personalized products.

In such a highly competitive economic environment, product innovation, which is research, development and launch of new products, is an essential means for any firm to maintain and conquer market shares, and innovation is the best defence because demand and competition are constantly evolving.

The innovative firm is not likely to lose its advantages by implementing new products or services with the latest progress or trends with an acceptable value for money to customers. Thus, the firm may benefit from a step ahead of competitors by offering an original and unique offer on the market.

However, once the new offer is on the market, the follow-up of the first months of the launch is very important, the company must follow the volume of sales, the acceptability of the product by consumers and the consequences in terms of brand awareness and brand image. Launch monitoring is a way for the company to detect the difficulties encountered by the new product and to collect data on the launch operation. These data are analyzed and translated into useful insights for the readjustment of product launch policies.

According to what was stated previously, this research aims to answer the following main question:

General Introduction

What are the challenges faced by Henkel Algeria when launching a liquid dishwashing product in the premium segment?

To provide more clearness to the previous question, this research answers the following questions:

- Has Henkel Algeria followed a typical launching process for its new-product development?
- Does the new-product PRIL ISIS GOLD meet consumers' expectations?
- Does perceived quality impact PRIL ISIS GOLD price perception?
- How is the premium positioning achieved for PRIL ISIS GOLD?

According to the previous questions, the following hypotheses are proposed:

- **Hypothesis 1:** Henkel Algeria has followed a typical launching process for its new-product development.
- **Hypothesis 2:** PRIL ISIS GOLD meets consumers' expectations.
- **Hypothesis 3:** Perceived quality impacts PRIL ISIS GOLD's price perception.
- **Hypothesis 4:** Placement in premium media vehicles drives the premium positioning of PRIL ISIS GOLD.

Research methodology

To elaborate this modest dissertation, we relied on a literature search that deals with innovation and its relation with consumer behaviour, as well as the launch of new products.

On the other hand, and in order to provide relevant answers to our research questions, we used a descriptive and quantitative study that allowed us to identify the challenges faced by Henkel Algeria at the launch of its new-product PRIL ISIS GOLD in the premium segment.

Data collection will be carried out using a survey, by means of a questionnaire.

General Introduction

Reasons of the research

- Personal reasons: Being passionate about innovation, branding and introducing novelty to the world to make consumers' lives better has motivated the researcher to choose this topic and develop it more.
- The research topic importance: In the current competitive scenario, firms are driven to introduce products with a higher degree of novelty and value. However, there is a growing need to evaluate and understand consumers' reactions to improve offers and adapt it to them. This study is important because it allows us to demonstrate the importance of marketing studies for the resolution of marketing issues encountered by innovative companies.

Aims and objectives

This research aims to describe and examine on one hand the process of launching the new product "PRIL ISIS GOLD" on the premium dishwashing liquid segment. On the other hand, it aims to follow this launch nearby consumers, by analyzing their feedbacks towards marketing actions to identify eventually the challenges that the company has faced.

Structure of the dissertation

The present research starts with a general introduction to introduce the research topic, questions, hypothesis and model; followed by three major parts:

The first part is devoted to the general overview of innovations, the perception of new or innovative products by consumers, as well as the adoption process of new products by consumers.

The second part explores the different options to make new products, describes in detail the process of developing new products, and introduces the development of new-product marketing strategy. And finally deals with monitoring and control of new products.

The third part discusses the challenges faced by "Henkel Algeria" at the launch of its new product "PRIL ISIS GOLD" in the premium Hand Dishwashing liquid segment, by conducting a survey among consumers and analyzing data then discussing the results. This part seeks evidence that will confirm or refute the hypothesis. The present research is concluded by a general conclusion which summarizes the main findings and results, and provides suggestions for future research.

Chapter I

Consumer behaviour towards

Innovative products

Chapter I: Consumer behaviour towards innovative products

Introduction

“There is often, if not always, a consumer appetite for innovation.” (Nielsen Breakthrough Innovation Report, 2014, p.8)

It has become a foregone conclusion that all firms want to be more innovative. The majority of businesses believe that innovation is a priority. The importance of innovation is increasing significantly. Currently, innovation has become a major factor in influencing strategic planning. It has been acknowledged that innovation leads to wealth creation.

On the other hand, the recent stagnation on consumption markets due to the economy crisis, forces firms to search for ways to differentiate their products. And again, one of these ways is to innovate and to propose new products, taking into account consumer behaviour, from the early stages of new product development process, because his behaviour has a direct influence on the acceptance of new products, and their adoption.

This chapter is divided into three sections; the first section will be devoted to the general overview of innovation. The second section will focus on the perception of new or innovative products by consumers. The last section will deal with the adoption process of new products by consumers.

Chapter I: Consumer behaviour towards innovative products

Section 1: General overview of innovation

This first section includes a general overview of the innovation concept by introducing its definition and types. Thereafter, it looks at the reasons that push firms to innovate. Finally it highlights the different dilemmas which innovative firms can face.

1. Definition of innovation

The word “innovation” is relevant in the world we live in. It impacts both the world economy and the standard of living. It is a key to international competitiveness and something companies have to deal with in the everyday life.¹ There exists numerous definitions of “innovation”, the table below contains some of the relevant ones.

Table 1- Definitions of innovation

| Author | Date | Definition |
|-------------------|------|---|
| ROGERS, E.M | 1995 | Innovation can be an idea, a product or a service, which is perceived as new and improved by a consumer or any other relevant unit of adoption. ² |
| KOTLER.P.DUBOIS B | 2003 | Innovation is the fruit of an internal development policy based on the work of laboratories and R&D departments, or a contractual policy involving independent researchers or specialized companies responsible for developing innovations or providing innovative technologies. ³ |

¹ Anneli STENBERG, What does Innovation mean - a term without a clear definition, Doctoral Thesis, Department of Business, economics and law, University of Halmstad, Halmstad Sweden.

² Valeriia LOBASENKO, Consumer behavior towards innovative products: which methodologies for which values? , Doctoral Thesis, University of Grenoble Alpes, 2017.

³ KOTLER P., DUBOIS B., MANCEAU D., « Marketing Management », Pearson Education, 2003, 11e edition, p730

Chapter I: Consumer behaviour towards innovative products

| | | |
|---|------|--|
| European Commission MEI (Measuring Eco Innovation) project report | 2007 | “Innovation occurs within a wider context that shapes innovation processes, innovation output and economic and environmental outcomes. This wider context encompasses the values, beliefs, knowledge and networks of actors, the technologies in place, economic growth, the product market conditions, factor market conditions, the education and training system, physical infrastructure and the macroeconomic and regulatory context.” ⁴ |
| Organization of cooperation and economic development (OCED) | 2009 | “Innovation is the implementation of a product, whether it is a good or a service, a new or significantly improved process, a new method of commercialization or a new organizational method in the company practices, the workplace or the external relations.” ⁵ |
| GROFF, A | 2009 | Innovation is the ability to create value by bringing something new to the relevant field, making sure that the appropriation of this innovation is done in an optimal way. ⁶ |
| LENDREVIE.J, LEVY.J | 2014 | Innovation is a new way to solve a problem. It differs from the invention, which consists in making or creating something new. ⁷ |

Source: Developed by the researcher based on the literature review

To summarize, we can say that innovation is to exploit new resources or use the existing resources in a more efficient way. In other words, innovation is doing something different; therefore, it is a possible outcome from creativity. Innovation is also associated to problem solving; it is either a solution to a new problem or a novel solution to an old problem.

⁴ European Commission MEI project report, 2007, p.4

⁵ Conseil de la science et de la technologie, Innovation ouverte, Enjeux et défis pour le Québec, Rapport de conjoncture 2009, Québec, 2010, 118Pages.

⁶ GROFFA.A, 100 questions sur « manager l’innovation », AFNOR, 2009, p84

⁷ LENDREVIE.J, LEVY.J, Mercator, 11th edition, DUNOD, Paris, 2014, p230,236

Chapter I: Consumer behaviour towards innovative products

Furthermore, innovation can be defined as a complex process based on research done internally and externally to improve products or services provided by a company, in order to create value, as well as a competitive advantage for firms seeking for growth and sustainability.

Being closely connected to “new”, innovation is often associated to invention. However, it is important to distinguish "innovation" from "invention". Invention is the first occurrence of an idea for a new product or process.

Innovation is the first commercialization of the idea. “Research” and “innovation” are also often confused. Research is, in fact, a link in the chain that can lead to innovation. ⁸

2. Types of innovation

In order to better identify the value created by the innovation, it is necessary to categorize it and characterize it according to three criteria: Nature, Object, and Intensity As it is shown in the table below.⁹

Table 2- Types of Innovation

| Categories | Measure | Types of innovation |
|-------------------------|-----------|---|
| Nature of innovation | How? | Technological innovation |
| | | Social innovation |
| | | Innovation by usage |
| | | Other nature of innovation |
| Object of innovation | What? | Product or service innovation |
| | | Process innovation |
| | | Marketing or commercialization innovation |
| | | Organizational Innovation |
| Intensity of innovation | How much? | Disruptive innovation |
| | | Incremental innovation |
| | | Assembly |
| | | Adaptation |

Source: Developed by the researcher based on the literature review

⁸ EDWARDS-SCHACHTER, M, “The nature and variety of innovation”, International Journal of Innovation Studies 2”, 2018, p65-79, p66.

⁹ Lexique de catégorisation de l’innovation élargie- Version du 06 janvier 2014.

Chapter I: Consumer behaviour towards innovative products

2.1 The four natures of innovation

2.1.1 Technological innovation is the creation or integration of new or improved technology, or a combination of technologies, with the objective of fulfilling a market need or anticipating current or future needs. For example, the first teleconferencing software on the WEB, or the use of a new molecule to treat cancer.¹⁰

2.1.2 Social innovation consists in developing new responses to new or poorly fulfilled social needs under current market and social policy conditions, involving the participation and cooperation of relevant stakeholders, including users.

These innovations concern products or services, as well as the mode of organization, distribution, in sectors such as aging, housing, health, fight against poverty, exclusion, discrimination. Max HAVELAAR for example proposes the fair trade which allows paying producers in a fair way.¹¹

2.1.3 Innovation by usage is introducing a change in the way of using a product or consuming a service. More precisely, introducing a new ease of usage, to meet market needs or anticipate future needs. For example, the new generation mobiles or the self-service bicycles, which change the way you ride a bike, which you no longer own but rent.¹²

2.1.4 Other nature of innovation It is unusual that the object of innovation is not related to one of the three natures mentioned above when it creates additional value and brings a competitive advantage. But in order not to be closed to other kinds of innovation, the "other" nature has been created. It is usually about creative and artistic innovations (recipes, concepts, fashion, food tastes, hobbies, architecture, and crafts).¹³

¹⁰ SCHRAMM, L., Technological innovation: An introduction, De Gruyter, 2017.p15.

¹¹ OSBURG, T., SCHMIDPETER, R., Social Innovation: Solutions for a Sustainable Future, Springer Science & Business Media, 2013, p13.

¹² EDWARDS-SCHACHTER, M, "The nature and variety of innovation", International Journal of Innovation Studies 2", 2018, p65-79, p68.

¹³ Lexique de catégorisation de l'innovation élargie- Version du 06 janvier 2014.

Chapter I: Consumer behaviour towards innovative products

2.2 The four objects of innovation ¹⁴

2.2.1 Product or service innovation is the creation or the improvement of an offer that creates a new or an additional value for the market, like the iPad, or the hybrid car.

2.2.2 Process innovation It consists in the development or adoption of new or improved methods or techniques of production, servicing, or even logistics, such as the Computer Assisted Production Management, the production of certain vegetables all year round, the self-service in the catering sector, or the system of traceability of goods by the barcode.

2.2.3 Marketing or commercialization innovation involves significant changes in the design, packaging, marketing mode, promotion, business model or pricing of a product or a service. For instance, loyalty offers (purchase of clothing at a lower cost thanks to a subscription), the customer loyalty system by magnetic card, the "all inclusive" formulas of hotels.

2.2.4 Organizational Innovation ¹⁵consists in introducing a new or an improved method into the management practices of the company, work organization or external relations such as cooperation, alliance strategy, etc. Organizational innovation is linked to the human and managerial aspects of the company. For example, Renault's new matrix organization, which created the "TWINGO", or the "Star Alliance" an alliance strategy, that was bringing together airlines for the first time, to offer customers a wider range of offers.

2.3 The four intensities of innovation¹⁶

2.3.1 Disruptive innovation is the deep modification of techniques and conditions of use by the market or a major social novelty. It allows a major change in the technology used compared to competition to create new markets and change consumer behavior. It can have a radical or even revolutionary character. The level of risk and uncertainty is very high and sometimes even total. The market is often to create. To illustrate this point we mention NESPRESO, EBAY, and UBER.¹⁷

¹⁴ WANG, Y., WANG, X., CHANG, S., KANG, Y., "Product innovation and process innovation in a dynamic Stackelberg game", Computers & Industrial Engineering, Volume.130, 2019, pp.395-403, p 398.

¹⁵ O'BRIEN, E., CLIFFORD, S., SOUTHERN, M., Knowledge Management for Process, Organizational and Marketing Innovation: Tools and Methods: Tools and Methods, Information Science Reference, 2011, p25.

¹⁶ KEELEY, L., WALTERS, H., Ten Types of Innovation: The Discipline of Building Breakthroughs, John Wiley & Sons, 2013, p 152.

¹⁷ Harvard Business Review on <https://hbr.org/2015/12/what-is-disruptive-innovation> 30/03/2019 02:39

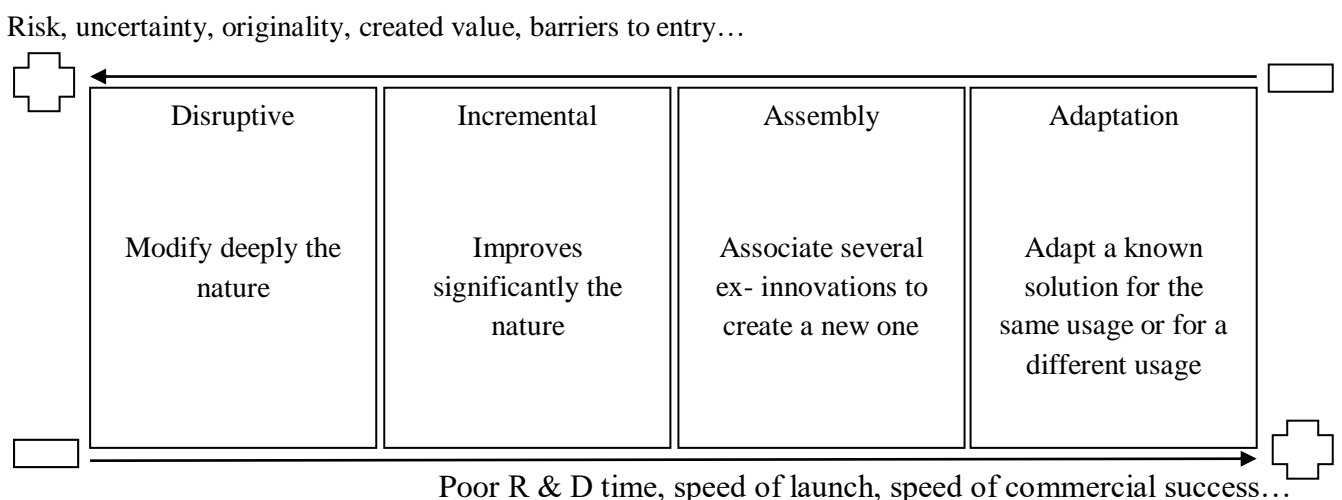
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2.3.2 Incremental innovation does not disrupt the conditions of use and the state of the art or the social offer, but brings a significant improvement. The level of risk and uncertainty is high to moderate. The market is often competitive. An example of incremental innovation is the successive developments of the mobile phone (2G, 3G, and 4G).

2.3.3 Innovation by assembly consists in combining several existing offerings or innovations to create a new one. It is the combination of components that allows an improvement of the product or service and a new performance. The level of risk and uncertainty is moderate. The market can be to create. Some examples of this type of innovation are the KINECT Xbox that combines a camera with the software developed by Microsoft video, the Kite Surf that combines the concept of the surfboard with a paragliding-type sail, and the first offers in tourism (hotels, golf, spa, and discovery).

2.3.4 Innovation by adaption involves adapting an innovation from one sector to another or from one use to another. More precisely, it consists in adapting a previously known solution to a sector but including the necessary modifications for its application under other conditions, in particular its adaptation to local conditions. The level of risk and uncertainty is relatively low. The market is often competitive. For instance, the concept of "drive" for hypermarket shopping inspired by fast-food "drive". Figure 1 recaps the four intensities of innovation.

Figure 1 - Innovation degrees



Source: Lexique de catégorisation de l'innovation élargie- Version du 06 janvier 2014

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3. Why do firms create new product?¹⁸

There are many reasons why companies bring products to market place. The one we would naturally think of is to make higher profit, but that is generally only one of the reasons.

3.1 Changing Consumer Needs: Companies need to stay in touch the changing needs of consumers. Companies cannot remain with traditional product lines and expect them to sell well for years on end. Yes we have learnt through the concept of product life cycle that some product categories stay in maturity for a long time, sometimes decades. However, even those industries need to look at the changing needs of the market.

3.2 Market Saturation: The longer a product exists in the marketplace, the more likely it is that the market will become saturated. Without new products or services, the value of the firm will eventually decrease.

3.3 Improving Business Relationships: New products do not always target end consumers; sometimes they function to improve relationships with suppliers.

3.4 Managing Risk through Diversity: Companies can create a wide range of products by the mean of innovation, which help them diversify risk and enhance the value of the company better than a single product can.

3.5 Fashion cycles: In industries that rely on fashion trends and experience short product life cycles. Video games for example are “fashionable” because consumers demand new versions. Once they have beaten the game, they want to be challenged with a new experience.

4. Dilemmas of innovative firms

Innovation creates dilemmas, and these dilemmas can either help or hinder the innovation effort. Dilemmas arise when we confront natural tensions between two apparent opposite ideas or concepts. In business we face these dilemmas all the time: cost vs. quality, centralization vs. decentralization, stability vs. change, short term results vs. long term competitiveness.¹⁹

¹⁸ GREWAL, D, LEVY, M, Marketing, 4th edition, McGraw-Hill, 2014, p361-365

¹⁹ https://www.innovationinpractice.com/innovation_in_practice/2009/05/innovation-dilemmas.html (consulted on 28/03/2019 at 21:54)

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Some of the innovation dilemmas are:²⁰

- Whether to invest in Innovation vs. development.
- Whether to be the first to enter a market place, be the pioneer vs. be an imitator.
- Whether to pursue disruptive ideas vs. incremental ideas
- Whether to use Problem-to-Solution vs. Solution-to-Problem approaches
- What are the specific challenges of high tech products marketing?

Dilemmas are dynamic but inevitable. They don't go away. They must be managed over time.

²⁰ LAMBIN, J, MOERLOOSE, C, « marketing stratégique et opérationnel, du marketing à l'orientation marché », 7th Edition, 2008, p354-355.

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Section 2: The perception of innovative products by consumers

The aim of this section is to provide a literature review of innovation perception from a customer perspective. The section begins with an overview of how innovations may be looked by customers, it defines the concept of “perceived innovativeness”, it looks at the conceptualization of customer perception of innovations, and then it moves to the main processes of innovation perception.

1. Innovation from Customer’s Perspective

Innovations may be looked at from various perspectives; it can be of three types, on the basis of extent of change they cause in consumer’s existing habits. ²¹

The following classification presents the perspectives of the customer and the target market: ²²

1.1 Discontinuous Innovations

Discontinuous innovations by their very nature are discontinuous to every customer segment, since they comprise new-to-the-world products only. These new products are so fundamentally different from products that already exist that they reshape markets and competition. For instance, mobile phone technology and the Internet drastically changed the way people communicate.

1.2 Continuous Innovations

Continuous innovation is when an existing product undergoes changes, without altering customer habits. Sometimes the customer may not even perceive these products to be new though the company may invest a lot of money to improve its existing products. For instance, a shampoo which is different from existing products only in its brand name, fragrance, color, and packaging is also a new product, though it is a continuous innovation.

The continuous innovation should be above the perceptual threshold of the customer i.e. there should be a ‘Just Noticeable Difference’ between the continuous innovation and the existing options for the customer to perceive this innovation as an improvement. Put simply, the customer should find the new product different from the existing options that he is aware of.

²¹ DUPONT, E, « les nouveaux produits : réussir leurs développement et leur lancement », 1st Edition, 2016

²² <https://www.managementstudyhq.com/types-of-innovations.html> (consulted on 27/03/2019 at 22.25)

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1.3 Dynamically Continuous

Dynamically continuous innovation falls between the discontinuous and continuous innovation. The changes in customer habits caused by such an innovation are not as large as in a discontinuous innovation, and not as negligible as in a continuous innovation. The progression from a manual to an electronic typewriter and the advent of cable and satellite television are examples.

Finally, the type of innovation depends on the type of customer towards which it is aimed at. The same innovation may be continuous for one segment of customers and dynamically continuous for another.²³

2. Definition of “perceived innovativeness” concept²⁴

A main approach has been to define perceived innovativeness by how new a product is. In one investigation, respondents rated perceived innovativeness by entering a value between 0 and 99 to reflect the product’s relative newness. Another view from prior research is that perceived innovativeness is a formative construct comprising a combination of an overall measure determining how new the product is perceived to be, and the extent to which the innovation would change consumption patterns. Other investigators include an item asking respondents how different the innovation is from products they currently know about. More recently researchers measure perceived innovativeness using two items to reflect the benefits of the new product, and two items to reflect the impact of the product on their consumption experience. Including perspectives from studies which use managers as raters of consumers’ perceptions, the literature still seems unclear on this issue. In general, innovativeness from the consumer’s perspective (although measured by managers) has been viewed along two broad dimensions, defined by some as novelty and meaningfulness, and defined by others as superiority to the customer and adoption difficulty.

²³ LIMBERG, T, “Examining innovation management from a fair process perspective”, GABLER Edition, 1st Edition, 2008

²⁴ BEN, L, FRANK, A, “Forecasting Consumer Perception of Innovativeness”, TECHNOVATION, 45, 1-14, 2015.

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3. Conceptualization of customer perception of innovations

It was found that customers perceive innovations in terms of two dimensions: perceived newness and perceived meaningfulness:²⁵

3.1 Perceived newness

It is the degree to which an innovation is understood as deviating from existing practice. It may arise from the technological newness of an innovation or the newness of the benefits that an innovation provides. Newness is not perceived as good or bad. People may see newness either as an opportunity and respond favourably to it, or they may perceive it as a potential threat and respond unfavourably to it. The question of which of these two outcomes will occur depends on people's situation-specific motivational state. If they are driven by a need for accomplishment, they are attracted to novel events. In contrast, if people are driven by a need for safety and predictability, they avoid novel events. Research suggests that the perception of newness is also determined by people's situation specific attitude towards newness. It means that almost everything may be perceived as new simply by adopting a slightly different perspective. In contrast, people may adopt a 'been there, done that' attitude in which they perceive almost anything as familiar and boring.

3.2 Perceived meaningfulness:

Denotes the degree to which an innovation is perceived as desirable and feasible. Perceived desirability arises from the benefits an innovation provides over and above those provided by existing alternatives. An innovation can provide benefits in terms of superior functional or instrumental value, hedonic or experiential value, and/or symbolic or expressive value. The perceived feasibility of an innovation is based on the cost and other sacrifices that may occur during its purchase, ownership, and use. This implies that a high level of desirability is not enough for an innovation to be perceived as meaningful. Perceived meaningfulness can only be achieved if an innovation is highly desirable, and at the same time, sufficiently feasible. In other words, people should be able to obtain the benefits of an innovation with reasonable financial and non-financial resources.

²⁵ Ibid., p13.

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4. The key processes of innovation perception²⁶

These include innovation recognition and innovation assessment.

4.1 Innovation recognition

It refers to the initial interactions with an innovation. During the innovation recognition phase, people should form a positive awareness of an innovation that motivates them to gather further information about it. The innovation recognition phase will only lead to a favourable response if an innovation is clearly differentiated from existing practice. For incrementally new products, this represents a considerable hurdle. Because incrementally new products provide only minor improvements, people frequently perceive them as literally the same as existing alternatives. Besides differentiation, innovation recognition is also determined by whether people understand what an innovation is and does. Such understandability represents a considerable hurdle for really new products, which represent groundbreaking departures from existing practice. As people lack prior knowledge of really new products, they frequently overlook essential aspects of these innovations and fail to grasp them.

4.2 Innovation assessment

In this case, people get actively involved with an innovation, and gather information about the personal consequences associated with adoption. During this process, people ask themselves whether an innovation is actually capable of providing desirable outcomes in their everyday lives. More precisely, in the innovation assessment process, people try to ascertain how productive an innovation will be in their own context; how easy it will be for them to make use of the innovation; what kinds of investments they need to make before they can operate the innovation; or whether important others appreciate or depreciate their adoption of the innovation. All of these aspects represent potential risks that people need to address before they can make an informed decision about an innovation. Consequently, innovation assessment is strongly determined by the degree to which people develop favourable or unfavourable mental scenarios associated with adoption of an innovation. Typically, such scenarios arise from the way in which an innovation is communicated.

²⁶ Dennis Vogt, Innovation Perception from a Customer Perspective Recognition, Assessment, and Comprehension of Innovations, Doctoral Thesis, University of St. GALLEN, School of Management, Economics, Law, Social Sciences and International Affairs, Rosch-Buch, Germany, 2013.

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Innovation assessment is also determined by whether previously considered hypothetical scenarios about an innovation are confirmed or disconfirmed. Specifically, the disconfirmation of favourable scenarios is critical. Frequently, innovations are presented in a way that suggests they are easily operated. However, oftentimes this is not the case. If they encounter difficulties in operating the device, people are likely to respond very unfavourably to the innovation.

The damage arising from this situation is typically irreparable. In most of these cases, such negative experiences generate a large amount of negative word of mouth from which an innovation is unlikely to recover.

Besides innovation recognition and innovation assessment, recent researches identified **innovation comprehension** as a new, highly relevant, aspect of innovation perception. While innovation recognition and innovation assessment are primarily concerned with the 'what' of innovation perception, innovation comprehension is concerned with the 'how' of innovation perception. More precisely, innovation comprehension refers to the way in which people think about an innovation.

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Section 3: The adoption of innovative products by consumers

This section exposes the several stages that consumers go through while adopting an innovative product, introduces the different potential adopters of a new product as well as the use of the diffusion of Innovation theory, and finally, highlights the influence of new-product characteristics on the rate of its adoption.

1. Stages in the adoption process

The adoption process is a five-stage process, defined as the mental steps through which an individual passes from first learning about an innovation to final adoption. In other words, adoption is the decision by an individual to become a regular user of the product.²⁷ Through this process, consumers will decide whether to reject or adopt the new product offering. A new product that does not meet a consumer's demand can be rejected at any of the five stages.²⁸

Adopters of new products have been observed to move through the following stages:²⁹

1.1 Awareness: The consumer becomes aware that there is a new product available but lacks detailed information about the product.

1.2 Interest: The consumer is interested in the new product and actively seeks out information regarding product features and availability.

1.3 Evaluation: After gathering some information about the product, the customer evaluates the benefits of buying the new product.

1.4 Trial: A consumer who gets to this stage of the adoption process has decided that the new product might suit his or her needs and makes the effort to try the product.

1.5 Adoption/Rejection: At this stage of the adoption process, the consumer decides if the product has value or not. If the consumer does not find value in the product, he or she will not buy it again. If the product gives the consumer value or solves a problem, they will likely become a repeat customer.

²⁷ KOTLER, P, ARMSTRONG, G, *The principles of marketing*, 15th edition, Pearson, 2014, p178.

²⁸ FARAJI-RAD, A, MELUMAD, S, VENKATARAMANI, G, "Consumer desire for control as a barrier to new product adoption", *Journal of Consumer Psychology*, 2016, JCPS-00552; No. of pages: 8; 4C.

²⁹ Wang, G, DOU, W, ZHOU, N, "Consumption attitudes and adoption of new consumer products: a contingency approach", *European Journal of Marketing*, Vol. 42 No. 1/2, 2008, pp. 238-254, p244.

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Marketers must provide enough information to consumers to move them from awareness to adoption.³⁰

2. Individual differences in innovativeness

All potential adopters of a new product do not adopt the new product at the same time. Consequently, on the basis of the degree to which an individual is relatively earlier in adopting the new product, adopters can be classified into adopter categories according to Rogers.³¹

Adopters can be classified into five groups based on the time when they adopt:³²

2.1 Innovators: The first 2.5 per cent of a market to adopt innovation. They are risk takers, venturesome. They are younger, more educated and socially mobile. They have the capacity to absorb risk associated with the new product. They are cosmopolitan in outlook, are aware and make use of commercial media, and eager to learn about new products, are progressive, ready to use new products.

2.2 Early adopters: The next 13.5 per cent to adopt. They take a calculated risk before investing and using new innovations. They are opinion leaders and provide information to groups, but they are also concerned about failure. Therefore, they weigh advantages and disadvantages of the product before plunging in for a purchase.

2.3 Early majority: The next 34 per cent to adopt. They tend to be more continuous and use the product after the innovators and early adopters seem to be satisfied with it. They are elders, well educated and less socially mobile. They rely heavily on inter-personal source of information. They constitute 34 per cent of the consumers.

2.4 Late majority: The next 34 per cent to adopt. They are doubtful and skeptical about the innovation of new products. They tend to use the product not so much because of innovation, but because of other pressures non-availability of the product and social pressures. They have less social status, and are less socially mobile than previous group. They are average in age, education, social status, income. They make little use of media (Magazine etc.). They rely heavily on informal sources of information.

³⁰ KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p179.

³¹ Mahajan, Vijay; Muller, Eitan; and SRIVASTAVA, Rajendra Kumar. Determination of Adopter Categories by Using Innovation Diffusion Models. (1990). Journal of Marketing Research. 27, (1), 37-50. p37

³² Valeriia Lobasenko. Consumer behavior towards innovative products: which methodologies for which values?. Economies and finances. Communauté Université Grenoble Alpes, 2017.

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2.5 Laggards: The final 16 per cent to adopt. They are more traditional. They possess limited social interaction and are oriented to the past. They adopt the innovations with great reluctance. They have the least education, lowest social status and income. They possess no opinion leadership and are in touch with other laggard, and they do not subscribe to many magazines. This classification, however, does not classify consumers once forever: an individual may be a laggard when choosing a TV, but an innovator as for a coffee preparation option.

Each group requires a different type of marketing if the company wants to move its innovation through the full product life cycle. But an innovating company should research the characteristics of innovators and early adopters in their product categories and direct initial marketing efforts toward them. These groups will then influence the rest of individuals.³³

3. Using the diffusion of Innovation theory

The innovation diffusion effect has been defined as the cumulatively increasing degree of influence on an individual to adopt or reject an innovation.³⁴

However, according to SHETH & ROGERS, the acceptance and the adoption of innovations depends on personal habits and the risks associated with innovations. The strength of individual attachment to existing practice or routine may cause the resistance to the new behaviour installation. Because of the ritual behaviour a consumer may not be paying attention to innovations or may not be willing to pay the attention.³⁵

Moreover, using the diffusion of innovation theory, firms can predict which types of customers will buy their new product or service immediately after its introduction, as well as later as the product gets more and more accepted by the market. With this knowledge, the firm can develop effective promotion, pricing, and other marketing strategies to push acceptance among each customer group.³⁶

³³ KOTLER, P, KELLER, K, Marketing Management, 14th edition, Prentice Hall, 2012, p612

³⁴ Mahajan, Vijay; Muller, Eitan; and SRIVASTAVA, Rajendra Kumar. Determination of Adopter Categories by Using Innovation Diffusion Models. (1990). Journal of Marketing Research. 27, (1), 37-50. p38.

³⁵ Valeriia Lobasenko. Consumer behavior towards innovative products: which methodologies for which values?. Economies and finances. Communauté Université Grenoble Alpes, 2017.

³⁶ GREWAL, D, LEVY, M, Marketing, 4th edition, McGraw-Hill, 2014, p371.

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4. Influence of product characteristics on rate of adoption

There are many new-product characteristics that influence its adoption rate. Some products catch on almost overnight, KOTLER give the example of the iPod and the iPhone that flew off retailers' shelves at a surprising rate from the first day they were introduced.

Other products take a longer time to gain acceptance such as HDTVs that had a slow rate of adoption. They were introduced in the 1990s, but by 2010, only 51% of European households had adopted the technology. The new TVs have certain product characteristics that influence the adoption rate.³⁷

Some of these characteristics are:³⁸

4.1 Relative advantage: Is the consumer's view of an innovation as more superior as compared to the previous model of a similar product or services. The relative advantage may depend on it being an improved product with added features, attributes, benefits and form, or is sold at an attractive price with better buying terms, cash or quantity discounts, promotional terms, or more accessible to customers.

4.2 Compatibility: Refer to the level of fitness between the newly produced product/service and the customer's wants or needs, standard expectations, their measures of value, and the individual experiences of the potential buyer. Generally, the compatibility of the new product /service has an impact which is positive on its adoption. A product/service will be quick to diffuse in the market if consumers are to maintain their present values, norms, cultures and lifestyles.

4.3 Complexity: Is the relative ease or difficult with which a new product/service is perceived by a potential adopters in use or application. While discussing the innovation complexity, technical complexity of a product/service acts as a barrier to positive diffusion in the market.

³⁷ KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p180.

³⁸ BASERA, C, DHLIWAYO, K," Impact of Product/Service Characteristics on the Rate of Adoption of an Innovation: A case of Eco Cash mobile services in Chipinge District, Zimbabwe", "Journal of Business and Management", 2319-7668. Volume 13, Issue 6 (Sep. - Oct. 2013), PP 26-32, P28

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4.4 Trial-ability: Entails the degree to which an innovation can be tested or experimented with on a limited scale before a potential user or consumer makes full adoption. Divisibility is the level of trial of the innovation prior to its adoption so researches have shown that the trial-ability of any innovation is essential to the groups of innovators and early adopters as they influence the other groups of adopters.

4.5 Communicability: This refers to the easier it is for consumers or potential customers to examine and see the outcomes of using a new innovation. The visible aspects of the innovation will reduce uncertainty and also motivate discussion about the new idea.

Many other characteristics can affect the rate of adoption, like ongoing cost, risk, and uncertainty, and social approval. Marketers must research all these factors when developing the new product and its marketing program.³⁹

³⁹ KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p180.

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Conclusion

Innovation must be integrated into any business strategy to survive in a competitive sector, to have a competitive advantage over rivals, and to improve customers' retention.

When we talk about innovation, we could immediately think of revolutionary tools or completely new methodologies. Nevertheless, innovating is not only about coming up with new ideas; it is also about modifying existing products in order to adapt them to the demand. Imitating competitors is also a way to create new products.

Consumers perceive innovations in terms of two dimensions: Newness, which can stem from the technological novelty of an innovation or from the novelty of the advantages that innovation provides; and meaningfulness, which is the extent to which a consumer perceives an innovation as desirable (superiority of benefits) and achievable (minimum of costs and sacrifices).

All potential adopters of innovative product do not adopt the new product at the same time. Consequently, on the basis of the degree to which an individual is relatively earlier in adopting the new product, adopters can be classified into different categories.

The five adopter groups have differing values, which makes them differ greatly in their readiness to try new products.

The consumer-adoption process is influenced by many factors beyond the marketer's control, including consumers' and organizations' willingness to try new products, personal influences, and the characteristics of the new product.

Today many marketers are targeting heavy users and early adopters of new products, because both groups tend to be opinion leaders.

Chapter II

Analysis of new-product development

Chapter II: Analysis of new-product development

Introduction

“If you are not embarrassed by the first version of your product, you’ve launched too late.”

– Reid Garrett Hoffman, Entrepreneur and co-founder of the professional social network LinkedIn–

New products are important to both customers and marketers who serve them. They bring new solutions and variety to customers lives, and they are a key source of growth for companies.

Besides, today’s accelerated rate of change and information growth means that companies will inevitably face increased competition in the market. That is why they need to embrace and seek out change, rather than avoid it or wait until change is forced upon them by competitors.

The development of new products is not an easy activity, but the creation of new products, although risky, remains an important condition for the survival of companies, thus respecting the stages of product development, controlling and following the process of product development launch is not enough if these steps are not associated with a strategy based on good segmentation, targeting and determination of positioning, while taking into account the correction of errors to avoid failure.

The previous chapter introduced some basic notions about innovations and consumers’ reactions to innovative products. This second chapter, presents the different options to make new products, describes in detail the process of developing a new product, it introduces the development of new-product marketing strategy. And it will deal with monitoring and control of new products through three sections.

Chapter II: Analysis of new-product development

Section 01: New-product options and development process

This first section deals with new-product strategies, gives a detailed view on the development process of new products, and finally, discusses how to manage this process.

1. New-product strategies

There are a variety of types of new products and ways to create them.⁴⁰

1.1 Product improvement/modification

An existing product may reach a stage that requires that something be done to keep it viable. The product may have reached the maturity stage of the product life cycle because of shifts in the environment and thus has ceased to provide an adequate return. Or product, pricing, distribution, and promotion strategies employed by competitors may have reduced the product to the me-too category. At this stage, management has two options: either eliminate the product or revitalize it by making improvements or modifications. Improvements or modifications are achieved by redesigning, remodelling, or reformulating the product so that it satisfies customer needs more fully. This strategy seeks not only to restore the health of the product but sometimes seeks to help distinguish it from competitor's products as well. For example, it has become fashionable these days to target an upscale, or premium. This is called "I am better than you are" strategy and it will be discussed later in this chapter.

1.2 Product imitation

Imitation is not only more abundant than innovation; it is actually a much more prevalent road to business growth and profits. It is still more commonplace than innovation, and it is still a variable marketing strategy. That is not to say that imitation is preferable to innovation.⁴¹

However, not all companies like to be first in the market with a new product. Some let others take the initiative. If the innovation is successful, they ride the bandwagon of the successful innovation by imitating it. In the case of innovations protected by patents, imitators must wait until patents expire. In the absence of a patent, however, the imitators work diligently to design and produce products not very different from the innovator's product to compete vigorously with the innovator. The imitation strategy can be justified in that it transfers the risk of introducing an unproven idea/product to someone else. It also saves investment in research and development.

⁴⁰ SUBHASH C. Jain, Marketing planning and strategy, 6th edition, South-Western College Pub, 2000, p 382

⁴¹ SCHNAARS, S, Managing imitation strategies, The free press, 2002, P15

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This strategy particularly suits companies with limited resources. Many companies, as a matter of fact, develop such talent that they can imitate any product, no matter how complicated. With a limited investment in research and development, the imitator may sometimes have a lower cost, giving it a price advantage in the market over the leader.

Another important reason for pursuing an imitation strategy may be to gainfully transfer the special talent a company may have for one product to other similar products.

Imitation also works well for companies that want to enter new markets without resorting to expensive acquisitions or special new-product development programs.⁴²

After all, creative adaptations of existing products are the most innovative kind of copy. To take an existing product and either improve upon it or adapt it to a new arena of competition. They are what Theodore Levitt calls “innovative imitations”. For instance, Japanese competitors have excelled at copying American products and selling them on world markets at lower prices.

1.3 Product innovation

Product-innovation strategy includes introducing a new product to replace an existing product in order to satisfy a need in an entirely different way or to provide a new approach to satisfy an existing or latent need. Most innovative products are produced by large organizations. Initially, an individual or a group of individuals may be behind it, but a stage is eventually reached where individual efforts require corporate support to finally develop and launch the product. To encourage innovation and creativity, many large companies are spinning off companies. For example, Colgate-Palmolive Co. launched Colgate Venture Co. to support entrepreneurship and risk taking. In this way, a congenial environment within the large corporation is maintained for generating and following creative pursuits.⁴³

Product innovation strategy requires customer and technological competences, which constitute the two dimensions along which products can be new to the firm: a new product can draw on existing technological competences or require new technological competences, and draw on customer competences that the firm already has or require a new type of customer competence.

⁴² SUBHASH C. Jain, Marketing planning and strategy, 6th edition, South-Western College Pub, 2000, p 380

⁴³ Ibid., p 387

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Since the degree of newness is continuous, rather than dichotomous, the dimensions are indicated by arrows. In other words, the typology consists of ideal types. In practice, specific innovations are more or less like the ideal types.⁴⁴

It is increasingly difficult to identify blockbuster products that will transform a market, but continuous innovation can force competitors to play catch-up and also broaden the brand meaning. Fewer than ten percent of all new products are truly innovative and new to the world. These products incur the greatest cost and risk. Although radical innovations can hurt the company's bottom line in the short run, if they succeed they can create a greater sustainable competitive advantage than ordinary products and produce significant financial rewards as a result.⁴⁵

The development of a product innovation typically passes through various stages that will be discussed in the next section.

2. New-product development process

Rather than leaving new products to chance, a company must carry out strong new-product planning and set up a systematic, customer-driven new-product development process for finding and growing new products.⁴⁶

New product process is a formal blueprint, roadmap, template or thought process for driving a new product project from the idea stage through to market launch and beyond.⁴⁷

⁴⁴ DANNEELS, E, « The Dynamics of product innovation and firm competences », « Strategic Management Journal », vol.23, 2002, p 1095-1121.

⁴⁵ KOTLER, P, KELLER, K, Marketing Management, 14th edition, Pearson Prentice Hall, 2012, p 591

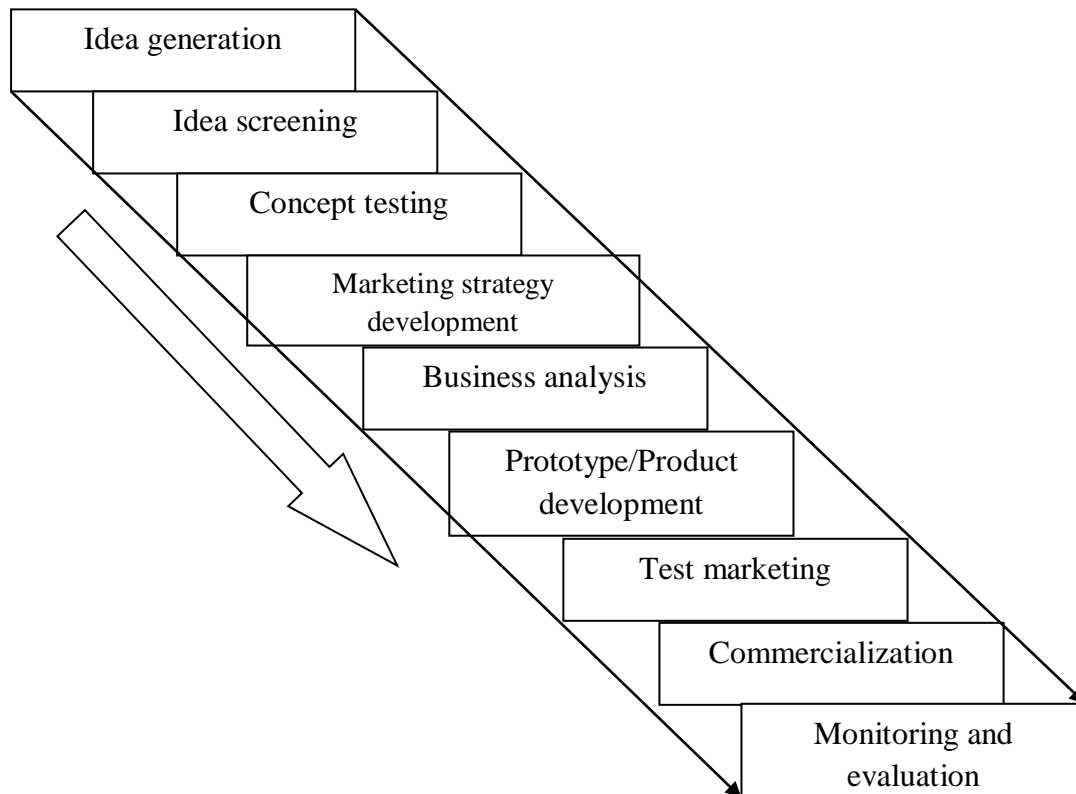
⁴⁶ KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, The United States, P 284

⁴⁷ COOPER, R.G, "PERSPECTIVE Third-Generation New Product Processes", "J PROD INNOV MANAG ", 1994:11:3-14

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The stages of the new product development process are summarized in the figure below.

Figure 2- The new-product development process



Source: Developed by the researcher based on the literature review.

2.1 Idea generation

After setting a well-defined new-product strategy for new-product development, the idea generation stage begins, where the search for product ideas is made to meet company objectives. The idea generation concerns the birth, development, and maturation of a concrete idea.⁴⁸

Truly innovative companies don't rely only on one source or another for new-product ideas. Instead, they develop extensive innovation networks that capture ideas and inspiration from every possible source. Major sources of new-product ideas include:⁴⁹

⁴⁸ BHUIYAN, N, "A framework for successful new product development", "Journal of Industrial Engineering and Management", 2011 – 4(4):746-770

⁴⁹ KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p 284

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2.1.1 Internal idea sources

Using internal sources, the company can find new ideas through formal R&D. However, in a recent study, only 33 percent of companies surveyed rated traditional R&D as a leading source of innovation ideas. In contrast, 41 percent of companies identified customers as a key source, followed by heads of company business units (35 percent), employees (33 percent), and the sales force (17 percent).

Thus, beyond its internal R&D process, a company can pick the brains of its own people, from executives to salespeople to scientists, engineers, and manufacturing staff.

Many companies have developed successful internal social networks and intrapreneurial programs that encourage employees to develop new-product ideas. For example, Twitter hosts an annual “Hack Week: Let’s Hack Together” event, which actively promotes internal innovation through experimentation around the company.

2.1.2 External idea sources

Companies can also obtain good new-product ideas from any of a number of external sources. For example, distributors and suppliers can contribute ideas. Distributors are close to the market and can pass along information about consumer problems and new-product possibilities. Suppliers can tell the company about new concepts, techniques, and materials that can be used to develop new products.

Competitors are another important source. Companies watch competitors’ ads to get clues about their new products. They buy competing new products, take them apart to see how they work, analyze their sales, and decide whether they should bring out a new product of their own. Other idea sources include trade magazines, shows, Web sites, and seminars, government agencies, advertising agencies, marketing research firms, university and commercial laboratories, and investors.

Perhaps the most important sources of new-product ideas are customers themselves.

The company can analyze customer questions and complaints to find new products that better solve consumer problems. Or it can invite customers to share suggestions and ideas.

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2.1.3 Crowd sourcing

Generally, many companies are now developing Crowd sourcing or open-innovation new-product idea programs. Crowd sourcing throws the innovation doors wide open, inviting broad communities of people such as customers, employees, independent scientists and researchers, and even the public at large into the new product innovation process. Both inside and outside the company can produce unexpected and powerful new ideas. For example, rather than relying only on its own R&D labs to produce all of the new-product innovations needed to support growth, Procter & Gamble developed its Connect + Develop Crowd sourcing process. Through Connect + Develop, the company uncovers promising innovations from entrepreneurs, scientists, engineers, and other researchers, even consumers themselves, that will help it meet its goal of improving consumers lives.

Rather than creating and managing their own crowd sourcing platforms, companies can use third-party crowd sourcing networks. PayPal for example, had recently posted a challenge to the top Coder community seeking the development of an innovative Android or iPhone app that would successfully and securely run its check-out process, awarding the winners \$5,000 each. The Android app came from a programmer in the United States, the iPhone app from a programmer in Colombia. Crowd sourcing can produce a flood of innovative ideas. In fact, opening the floodgates to anyone and everyone can overwhelm the company with ideas, some good and some bad.

2.2 Idea screening

The step after coming up with ideas is reviewing these and picking up the most relevant one, eliminating thus the remaining ones. The aim of the elimination is to reduce the bad ideas as much as possible. Otherwise, costs will see a great deal of increase. In the process of elimination, it is assessed if the idea coincides with that of the company and also the relevancy of technical knowledge and staff possibilities are evaluated.⁵⁰

One marketing expert proposes an R-W-W (“real, win, worth doing”) new-product screening framework that asks three questions. First, is it real? Is there a real need and desire for the product and will customers buy it? Is there a clear product concept and will such a product satisfy the market? Second, can we win? Does the product offer a sustainable competitive advantage?

⁵⁰ DURMAZ, Y, ŞIRIN, M, “A Theoretical Approach to New Product Development Strategies”, “International Journal of Academic Research in Management and Business”, International Academic Publishing Group, vol:2,No:1,2017, p3.

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Does the company have the resources to make such a product a success? Finally, is it worth doing? Does the product fit the company's overall growth strategy? Does it offer sufficient profit potential?⁵¹

The company should be able to answer yes to all three R-W-W questions before developing the new-product idea further.

2.3 Concept development and testing

Concept testing refers to the process in which a concept statement is presented to potential buyers or users to obtain their reactions. These reactions enable the developer to estimate the sales value of the product or service concept, possibly make changes to enhance its sales value, and determine whether the idea is worth further development.⁵² Some of the elements that should be measured when testing a concept are mentioned in the table below.

Table 3 - Measured elements during a concept test

| The evaluated element | Definition | Objective |
|------------------------------|--|--|
| Clarity | Is the concept understood by the intended clients? | Checking if the formulated concept and targeted customers' vocabulary match. |
| Originality | Does the product appear to be different from existing products to customers? | Checking the ability of the product to be different from competitors' products in the minds of customers. |
| Credibility | Do customers consider it possible that a product offers the described benefit? | It would be difficult to market a product that no one believes in its effectiveness before trial, so it is necessary to plan previous contact with customers to compensate a weak credibility. |

⁵¹ KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p287

⁵² GREWAL, D, LEVY, M, Marketing, 4th edition, McGraw-Hill, 2014, p377

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| | | |
|---------------------------|---|--|
| Utility | Does the described concept meet a need? Does it satisfy this need better than competing products? | This element is essential and constitutes a step prior to the purchase intention. It is not the first element to be measured because clarity, originality and credibility appear as prerequisites for utility. |
| Obstacles and motivations | What will be the main obstacles and motivations for the purchase and use of such a product? | Anticipating favourable and unfavourable factors in the purchasing process |

Source : LENAGARD, MANCEAU.D, Op.cit., p128

2.4 Marketing strategy development

In the marketing phase, which strategies are to be implemented is figured out. In the determination of a marketing strategy, consumer behaviour matters. The market the company is situated within must be analyzed. Strengths and weaknesses of the rivals, their economical and technological advantages and potential customers in the market need to be investigated.⁵³

This phase consists of three parts. The first part describes the target market, the planned value proposition, and the sales, market share, and profit goals for the first few years. The second part of the marketing strategy statement outlines the product's planned price, distribution, and marketing budget for the first year. The third part of marketing strategy describes the planned long-run sales, profit goals, and marketing mix strategy.⁵⁴

This phase is discussed in details in the following section of this chapter.

2.5 Business analysis⁵⁵

In this phase, we evaluate the business attractiveness of the proposal. Business analysis involves a review of the sales, costs, and profit projections for a new product to find out whether they satisfy the company's objectives.

⁵³ DURMAZ, Y, ŞIRIN, M, "A Theoretical Approach to New Product Development Strategies", "International Journal of Academic Research in Management and Business", International Academic Publishing Group, vol:2,No:1,2017, p3.

⁵⁴ KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p290

⁵⁵ GRIFFIN, A, "PDMA Research on New Product Development Practices", "J PROD INNOV MANAG", 1997; 14: 429-458, p 440.

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If they do, the product can move to the product development stage. To estimate sales, the company might look at the sales history of similar products and conduct market surveys. It can then estimate minimum and maximum sales to assess the range of risk. After preparing the sales forecast, management can estimate the expected costs and profits for the product, including marketing, R&D, operations, accounting, and finance costs. The Company then uses the sales and costs figures to analyze the new-product's financial attractiveness.

2.6 Product development

Product prototypes are usually tested through alpha and beta testing. In alpha testing, the firm attempts to determine whether the product will perform according to its design and whether it satisfies the need for which it was intended. Rather than use potential consumers, alpha tests occur in the firm's R&D department. In contrast, beta testing uses potential consumers, who examine the product prototype in a "real use" setting to determine its functionality, performance, potential problems, and other issues specific to its use.⁵⁶

Marketers often involve actual customers in product testing. For example, New Balance's Wear test Program engages consumers throughout the product development process to field test new shoe designs under real-life conditions. A new product must have the required functional features and also convey the intended psychological characteristics.⁵⁷

2.7 Test marketing

The aim of market testing is to observe consumers' reactions towards the product right before it is released to the market. Products are produced within smaller units for this test. Test marketing for consuming goods provide opportunities for companies to better forecast the frequencies of trying, re-buying and buying.⁵⁸

When the costs of developing and introducing the product are low, or when management is already confident about the new product, the company may do little or no test marketing. In fact, test marketing by consumer-goods firms has been declining in recent years. Companies often do not test-market simple line extensions or copies of competitor's successful products. However, when introducing a new product requires a big investment, when the risks are high, or when management is not sure of the product or its marketing program, a company may do a lot of test marketing.

⁵⁶ GREWAL, D, LEVY, M, Marketing, 4th edition, McGraw-Hill, 2014, p 378

⁵⁷ KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p291

⁵⁸ DURMAZ, Y, ŞİRİN, M , "A Theoretical Approach to New Product Development Strategies", "International Journal of Academic Research in Management and Business", International Academic Publishing Group, vol:2,No:1,2017, p4

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As an alternative to expensive and costly standard test markets, companies can use controlled test markets or simulated test markets:⁵⁹

2.7.1 Controlled test markets

New products and tactics are tested among controlled panels of shoppers and stores. By combining information on each test consumer's purchases with consumer demographic and TV viewing information.

2.7.2 Simulated test markets

Researchers measure consumer responses to new products and marketing tactics in laboratory stores or simulated online shopping environments.

Both controlled test markets and simulated test markets reduce the costs of test marketing and speed up the process.

2.8 Commercialization

The process of product development ends with the release. This phase is commercialization. At this stage companies confirm the point their products came along and accept the cost of production.⁶⁰

A company launching a new product must first decide on introduction timing. If the new product will eat into sales of other company products, the introduction may be delayed. If the product can be improved further, or if the economy is down, the company may wait until the following year to launch it. However, if competitors are ready to introduce their own competing products, the company may push to introduce its new product sooner. Next, the company must decide where to launch the new product, in a single location, a region, the national market, or the international market. Some companies may quickly introduce new models into the full national market.⁶¹

2.9 Control and monitoring

Once the product is out the door and released into the world, it's time to measure its launch effectiveness. The last section of this chapter is dedicated to this phase of the process of developing a new-product.

⁵⁹ KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p292

⁶⁰ DURMAZ, Y, ŞIRIN, M, "A Theoretical Approach to New Product Development Strategies", "International Journal of Academic Research in Management and Business", International Academic Publishing Group, vol:2,No:1,2017, p4.

⁶¹ www.100startup.com, "Thirty-Nine-Step Product Launch Checklist", (consulted on 04/03/2019 at 15:23)

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3. Managing new-product development

New-product development involves more than just going through a set of steps. Companies must take a holistic approach to managing this process. Successful new-product development requires a customer-centred, team-based, and systematic effort.⁶²

3.1 Customer-centred new-product development⁶³

A new product development process starts with an abstract idea and ends with physical realization of the product (Figure below). Experience has proven that in this mental and physical product development process the voice of the customers has to be taken into account in order to ensure that a globally competitive product is produced. Quality functions deployment (QFD) is the only customer-oriented product-development method, where the ‘voice of the customer’ is the starting point of all activities. The QFD starts with the question: ‘What does the customer need and want?’ and transforms the customer’s expectations into the product features. The goal of the QFD method is to define, develop, design, manufacture, supply, and install the product in such a way that customer wishes are over fulfilled rather than only fulfilled. The QFD method is a game of questions and answers with two basic questions:

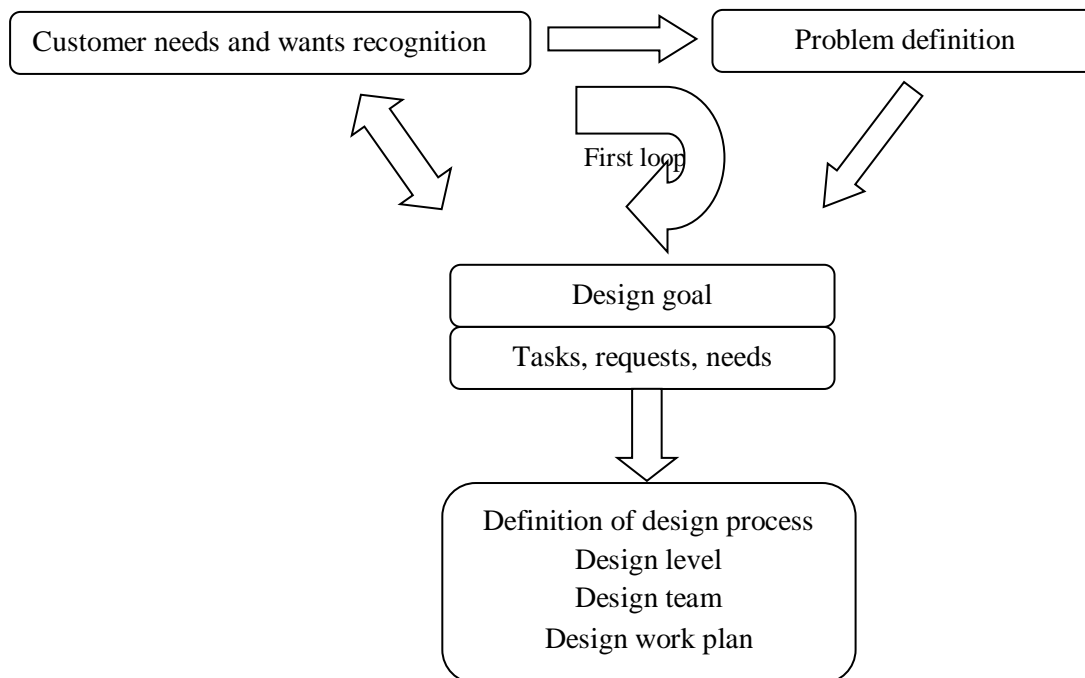
- . What do customers expect from the product?
- . How can the company fulfil the customer needs?

⁶² KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p293

⁶³ « Jože Duhovnik, Janez Kušar, Rok Tomaževič, Marko Starbek, “ Development Process with Regard to Customer Requirements », Concurrent Engineering, 2006, 14 (1), pp.67-82.

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Figure 3- Customers voice in product development process



Source: « Jože Duhovnik, Janez Kušar, Rok Tomaževič, Marko Starbek, “ Development Process with Regard to Customer Requirements », *Concurrent Engineering*, 2006, 14 (1), pp.67-82.

3.2 Team-based new-product development

To get their new products to market more quickly, many companies use a team-based new-product development approach. Under this approach company departments work closely together in cross-functional teams, overlapping the steps in the product development process to save time and increase effectiveness. Instead of passing the new product from department to department, the company assembles a team of people from various departments that stay with the new product from start to finish. Such team usually includes people from the marketing, finance, design, manufacturing, and legal departments and even supplier and customer companies.⁶⁴

A large number of past studies appear to demonstrate the positive effects of cross-functional integration on new-product development success across a variety of cultural contexts.

⁶⁴ KOTLER, P, ARMSTRONG, G, *The principles of marketing*, 15th edition, Pearson, 2014, p294

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Findings from a study demonstrate that functional cooperation increases as the process moves from early to late stages; cooperation between marketing and R&D is highest during early stages of the process, but for marketing and operations, and for R&D and operations, cooperation increases as the process moves from early to late stages. To conclude, the importance of cooperation between specific functional dyads (i.e., marketing - R&D; R&D- operations; operations - marketing) varies by time (i.e., early vs. late stages), and by the level of innovativeness (i.e. new-to-the-world vs. modifications) associated with the new product being developed.⁶⁵

3.3 Systematic new-product development

A company can install an innovation management system to collect, review, evaluate, and manage new-product ideas. It can appoint a respected senior person to be its innovation manager. It can set up Web-based idea management software and encourage all company stakeholders to become involved in finding and developing new products.

The innovation management system approach produces two favourable outcomes. First, it helps create an innovation-oriented company culture. It shows that top management supports, encourages, and rewards innovation. Second, it will yield a larger number of few product ideas, among which will be found some especially good ones.⁶⁶

Additionally to all that has been emphasized above, results from interviews with organization members from the CEO to young engineers, reveal that leading companies show six characteristics in managing their new product development processes:⁶⁷

Built-in instability, self-organizing project teams, overlapping development phases, multifunctional learning, subtle control and organizational transfer of learning.

These characteristics are like pieces of a puzzle. Each element, by itself, does not bring about speed and flexibility. But taken as a whole, the characteristics can produce a powerful new set of dynamics that will make a difference.

⁶⁵ Eric M. Olson,, Orville C. Walker Jr., Robert W. Ruckert, Joseph M. Bonner, "Patterns of cooperation during new product development among marketing, operations and R&D: Implications for project performance", "The Journal of Product Innovation Management" 18 (2001) 258–271.

⁶⁶ KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p294

⁶⁷ TAKEUCHI, H, NONAKA, I, "The new product development game", "Harvard Business Review", January-February 1986, 137-146.

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Section 2: The development of new-product marketing strategy

The second section takes a deeper look on one particular phase in the development process of a new-product, which is the development of the marketing strategy. It begins with the segmentation, targeting, and positioning strategies, and then it moves to the product, price, place, and promotion policies. Finally, it deals with a particular strategy called “I am better than you are strategy” strategy.

1. Segmentation, targeting, positioning

1.1. Segmentation:

“Segmentation is based upon developments on the demand side of the market and represents a rational and more precise adjustment of product and marketing effort to consumer or user requirements. In the language of the economist, segmentation is disaggregative in its effects and tends to bring about recognition of several demand schedules where only one was recognized before.”⁶⁸

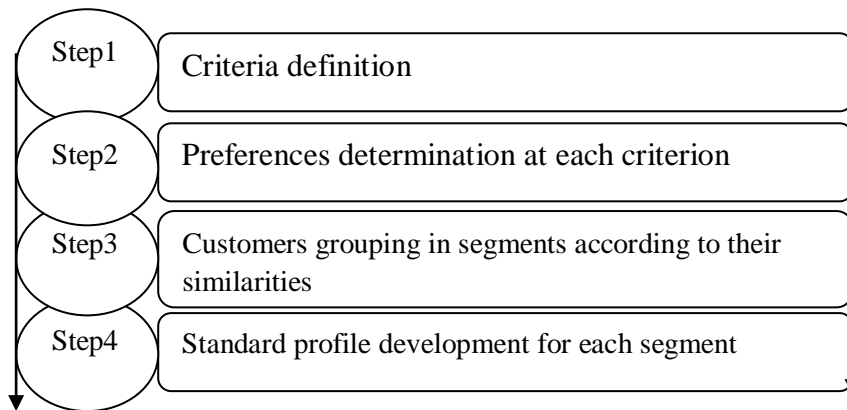
Moreover, customers do not have the same needs and expectations, which drives companies to segment their markets to better align the Marketing Mix with customer needs. Segmentation allows distributors to offer products with different prices based on customer price sensitivity. To segment its market, the company is required to follow four principal phases, shown in the figure below.⁶⁹

⁶⁸ Wendell R. Smith, « product differentiation and market segmentation as alternative marketing strategies», «Marketing Management», 1995, vol.4, No 3, P63.

⁶⁹ <https://lecafedesdoctorants.files.wordpress.com/2008/07/le-cafe-des-doctorants-la-segmentation-et-le-ciblage1.pdf>, (Consulted on 22/02/2019 at 13h40).

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Figure 4- Segmentation phases



Source: SHANKAR V. (2001), «Segmenter le marché pour cibler les bons clients», L'art du Management2.0, Ed. Village Mondial, P.322

1.1.1. Segment potential assessment

Measuring the attractiveness of each segment refers to marketing targeting. In fact, the market segments do not have the same potential in terms of profit and turnover, which makes the company select the most profitable segments on the basis of their potential evaluation.

The following questions should be asked for each segment:

- Customer: Is the segment sufficiently broad in terms of revenue and profit? Is its growth potential high?
- Competitor: Do clients have unmet needs? How intense is the competition? What are the penetration barriers of this segment?
- Enterprise: are the segment's expectations compatible with the company's objectives? Is the company able to satisfy them?⁷⁰

⁷⁰ <https://lecafedesdoctorants.files.wordpress.com/2008/07/le-cafe-des-doctorants-la-segmentation-et-le-ciblage1.pdf>, (Consulted on 22/02/2019 at 13h40).

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1.1.2 B to C segmentation variables

- Demographic variables: Age, gender, culture, income, occupation...
- Geographical variables: Region, urban, rural, climate...
- Psychographic variables: Lifestyle, personality, social class...
- Behavioural variables: Desired benefits, purchase frequency, fidelity to the brand, use opportunity, price sensitivity ...⁷¹

1.2 Targeting

After having segmented its market, which is only the first step in deciding whom to approach about buying a product, the next step is to choose one or more target markets. A target market is a group of people or organizations for which a company designs, implements, and maintains a marketing mix intended to meet the needs of that group.⁷²

Three ways of targeting are possible: a single segment with a single product; a product for multiple segments, this is called "mass marketing"; the multi segment approach, differentiated products for each segment. Targeting is based essentially on two points: Assessing the segment relative attractiveness for the company, assessing the company's assets that allow it to set up on the segment.⁷³

1.3 Positioning

To some writers, positioning is the proposition or benefit of the product. To others it is its image, or perhaps its status in the market relative to the brand leader, and some equate it with brand personality.⁷⁴

Recently, market positioning is defined as the consumer's perception of a brand or product in relation to competing brands or products. It refers to the process of establishing the image or identity of a brand or product so that consumers perceive it in a certain way.⁷⁵

⁷¹ SHANKAR VEDANTAM, L'art du Management 2.0, Edition Village Mondial, 2001, P322

⁷² LAMB, C, HAIR, J, MCDANIEL, C, Essentials of marketing, 6th edition, south-western CENGAGE Learning, 2009, p 220

⁷³ MOORE, K, PAREEK, N, Marketing the basics, 2nd edition, Routledge, 2009, P 45

⁷⁴ SENGUPTA, S, Brand positioning Strategies for competitive advantage, 2nd edition, Tata McGraw-Hill, 2005, P 14

⁷⁵ <https://strategiccco.com/market-positioning/>, (Consulted on 22/02/2019 at 19h45).

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The positioning concept may be functional, symbolic or experiential. The functional concept is relevant to products designed to solve consumption-related problems for externally generated consumption needs. Toothpastes aiming to prevent cavities and banks offering convenient service fall into this category. The symbolic concept relates to the buyer's internally generated need for self-enhancement, role position, group membership or ego satisfaction. Cosmetics relating to life-style and clothes stressing image or appropriateness of occasion are examples of this.

The experiential concept is used to position products that provide sensory pleasure, variety or cognitive stimulation. Documentary films and books are examples of this.

The whole of marketing mix is important in developing effective positioning, as attributes of the offering must be closely in line with the targeted customers expectations and needs, as must the associated price points and channels of distribution. However, promotional activity is one of the fundamental elements of creating an effective positioning, as it is through promotion that the positioning is communicated to the target audience.⁷⁶

2. Creating a suitable marketing mix for a new-product

Some have said that 'the Internet and digital marketing change everything', but the marketing mix, widely referred to as the 4Ps of Product, Price, Place and Promotion, is still used as an essential part of formulating and implementing marketing strategy by many practitioners.⁷⁷

In fact, the new product introduction requires a specific definition of the marketing mix variables and an extensive coordination of all aspects of the marketing mix, on the basis of the research it has gathered on consumers, the tests it has conducted, the target market or markets, and the competitive considerations.⁷⁸

2.1. Product

The product policy consists in designing, managing and renewing what a company sells to its customers, whether it is a good or a service. Marketing should not only focus on promoting and commercializing an offer, but on designing or help designing one that meets customers' expectations. The function of product manager was born from this observation.⁷⁹

⁷⁶ PROCTOR, T, Strategic marketing An introduction, 2nd edition, Routledge, 2008, P 200

⁷⁷ <https://www.smartinsights.com/digital-marketing-strategy/online-marketing-mix/creating-best-marketing-mix-product-launch/> (Consulted on 23/02/2019 at 18:26)

⁷⁸ GREWAL, D, LEVY, M, Marketing, 4th edition, McGraw-Hill, 2014, p 381

⁷⁹ LENDREVIE.J, LEVY.J., Mercator, 11th edition, DUNOD, Paris, 2014, p667

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On the other hand, the product variable of the marketing mix refers to characteristics of a product, service or brand. Product decisions should be informed by market research where customers' needs are assessed and the feedback is used to modify existing products or develop new products.

In developing the right product, marketers have to answer the following questions:⁸⁰

- What does the customer want from the service or product?
- How will the customer use it?
- Where will the customer use it?
- What features must the product have to meet the customer's needs?
- Are there any necessary features that marketers missed out?
- Are marketers creating features that are not needed by the customer?
- What is the name of the product?
- Does it have a catchy name?
- What are the sizes or colours available?
- How is the product different from the products of competitors?
- What does the product look like?

2.2. Price

Generally, setting prices is a supply chain-wide decision. Manufacturers must decide at what price they would like products to sell to consumers. They often encourage retailers to sell at a specified price known as the manufacturer's suggested retail price (MSRP). Although retailers often do not abide by the MSRP, manufacturers can withhold benefits such as paying for all or part of a promotion or even refusing to deliver merchandise to non-complying retailers.

⁸⁰ Marketingmix.co.uk ,The-Marketing-Mix-Debunked.pdf (consulted on 23/02/2019 at 20:21)

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It is sometimes easier to start with a higher MSRP and then over time lower it than it is to introduce the new product at a low price and then try to raise the price. When setting the MSRP, manufacturers also consider the price at which the new products are sold to the retailers. The retailers not only need to make a profit on each sale, but they may also receive a slotting allowance from the manufacturer, which is a fee paid simply to get new products into stores or to gain more or better shelf space for their products.⁸¹

Two basic strategies that may be used in pricing a new product are skimming pricing and penetration pricing.

2.2.1. The skimming pricing⁸²

Many companies that invent new products set high initial prices to skim revenues layer by layer from the market. Apple frequently uses this strategy, for example when it first introduced the iPhone; its initial price was as much as \$599. The phones were purchased only by customers who really wanted the sleek new gadget and could afford to pay a high price for it.

Market skimming makes sense only under certain conditions. First, the product's quality and image must support its higher price, and enough buyers must want the product at that price. Second, the costs of producing a smaller volume cannot be so high that they cancel the advantage of charging more. Finally, competitors should not be able to enter the market easily and undercut the high price.

2.2.2 The penetration pricing

It is defined as the strategy of entering the market with a low initial price so that a greater share of the market can be captured. The penetration strategy is used when an elite market does not exist and demand seems to be elastic over the entire demand curve, even during early stages of product introduction. High price elasticity of demand is probably the most important reason for adopting a penetration strategy. The penetration strategy is also used to discourage competitors from entering the market. When competitors seem to be encroaching on a market, an attempt is made to lure them away by means of penetration pricing, which yields lower margins. A competitor's costs play a decisive role in this pricing strategy because a cost advantage over the

⁸¹ GREWAL, D, LEVY, M, Marketing, 4th edition, McGraw-Hill, 2014., p 382

⁸² KOTLER, P, ARMSTRONG, G, The principles of marketing, 15th edition, Pearson, 2014, p 336

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existing manufacturer might persuade another firm to enter the market, regardless of how low the margin of the former may be.⁸³

2.3. Place

Placement or distribution is a very important part of the product mix definition. You have to position and distribute the product in a place that is accessible to potential buyers. This comes with a deep understanding of your target market. There are many distribution strategies, including: Intensive distribution, exclusive distribution, selective distribution, franchising⁸⁴

The manufacturer coordinates the delivery and storage of the new products with its retailers to assure that it is available for sale when the customer wants it, at the stores the customer is expecting to find it, and in sufficient quantities to meet demand. Manufacturers work with their retailers on decisions such as:⁸⁵

- Should the merchandise be stored at retailers' distribution centers or distributed directly to stores?
- What initial and fill-in quantities should be shipped?
- Should the manufacturer be involved in reordering decisions?
- Should the merchandise be individually packaged so it is easy to display in the stores?
- Should price stickers be affixed on the merchandise at the factory or at the store?
- Should the manufacturer be involved in the maintenance of the merchandise once in the store?

In addition, here are some of the questions that marketers should answer in developing their distribution strategy:

- Where do your clients look for your service or product?
- What kind of stores do potential clients go to? Do they shop in a mall, in a regular brick and mortar store, in the supermarket, or online?
- How do you access the different distribution channels?

⁸³ SUBHASH C. Jain, Marketing planning and strategy, 6th edition, South-Western College Pub, 2000, p 422

⁸⁴ Marketingmix.co.uk ,The-Marketing-Mix-Debunked.pdf (consulted on 23/02/2019 at 22:25)

⁸⁵ GREWAL, D, LEVY, M, Marketing, 4th edition, McGraw-Hill, 2014., p 382

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- How is your distribution strategy different from your competitors?
- Do you need a strong sales force?
- Do you need to attend trade fairs?
- Do you need to sell in an online store?

2.4. Promotion

Promotion is a very important component of marketing as it can boost brand recognition and sales. Promotion is comprised of various elements like: Sales Organization, public relations, advertising, sales promotion.

Promotion for new products is required at each link in the supply chain. If the products are not sold and stocked by retailers, no amount of promotion to consumers will sell the products. Trade promotions, which are promotions to wholesalers or retailers to get them to purchase the new products, often combine introductory price promotions, special events, and personal selling. Introductory price promotions are limited-duration, lower-than-normal prices designed to provide retailers with an incentive to try the products.⁸⁶

In creating an effective product promotion strategy, marketers need to answer the following questions:⁸⁷

- How can you send marketing messages to your potential buyers?
- When is the best time to promote your product?
- Will you reach your potential audience and buyers through television ads?
- Is it best to use the social media in promoting the product?
- What is the promotion strategy of your competitors?

The combination of promotional strategies and how marketers go about promotion will depend on the company's budget, the message it wants to communicate, and its target market.

⁸⁶ GREWAL, D, LEVY, M, Marketing, 4th edition, McGraw-Hill, 2014., p 381

⁸⁷ Marketingmix.co.uk ,The-Marketing-Mix-Debunked.pdf (consulted on 23/02/2019 at 22:25)

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2.4.1. Communication targets choices

Communication targets for launching a new product are not necessarily marketing targets. Three groups of people play a key role:⁸⁸ prescribers, innovators and opinion leaders.

Prescribers are particularly targeted because they can have a positive impact, but also negative one if they are not considered. We can also try to communicate nearby innovators, who will be more open to the idea of buying new products first. Another potential communication target is opinion leaders, who will be able to relay the message to all consumers, directly or because of their behaviour, which will be copied by others.

Other possible targets: The pre-announcement of new product launch may have some effects:

- By informing its competitors, the company may try to dissuade them from entering the same market, especially if it is leader in this market, and has very important means. Conversely, it can seek to engage its competitors with it, to develop a new market, when it seeks to impose a new standard. It can also provide information that enables them to react to the new product, either by copying it, by making a counter-announcement, or by lowering the price of their own product, or by preparing a communication campaign. . It is mainly for these reasons that companies can give up an announcement too early and too precise.

- By informing distributors, the company can also encourage them to anticipate the launch by another shelves organization, a better training of the salesmen. Distributors can indeed be a very effective relay of information to consumers.

-The suppliers of products or supplementary services whose availability may condition the success of the launch of the new product.

⁸⁸ E.LE NAGARD-ASSAYAG,D.MANCEAU ,(2011) ,op.cit P.220

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2.4.2. Consumer information sources on new products

The communication budget may be allocated differently, according to the information sources.

These sources of information differ according to two criteria:

- The degree of personalization: we can distinguish interpersonal sources where there is a face-to-face communication between individuals from impersonal sources.
- Impartiality: we separate commercial sources, which aim to influence the consumer positively towards innovation, from sources deemed neutral.⁸⁹

When buying new products, the uncertainty for the consumer can be high. Interpersonal sources can then play a more important role than impersonal sources. The table below illustrates the different sources of information on the new product.

Table 4 - The different information sources on a new product

| | Impersonal sources | Interpersonal sources |
|--------------------|---------------------------------------|--|
| Commercial sources | Media Advertising Direct marketing | Direct sales force Distributors Public relations |
| Neutral sources | Generalist press Specialized press | Word of mouth |

Source : E.LE NAGARD-ASSAYAG et autres, Marketing des nouveaux produit : de La création au lancement, Dunod, 2005, P.222

⁸⁹ E.LE NAGARD-ASSAYAG,D.MANCEAU ,(2011) ,op.cit P.220

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3. Taking a Premium Position in the market place

3.1 What is Premium and why to seek a premium position?⁹⁰

Premium is a high value or a value in excess of that normally or usually expected. Many brands, especially the ones that want to go niche and want to have a targeted approach, choose to target premium positioning.

There are multiple reasons behind seeking a Premium Position: Making more money, entering a saturated market, broadening product strategy, seeking differentiation, not having a large manufacturing capacity.

The above does not mean that premium positioning is only achieved by niche products and not mass products. Brands like Gucci, Armani, Apple, Audi etc have proved that you can be both a mass product and yet a premium product. The company that seek the Premium Position just need to balance both of them so that it does not target too niche a market and at the same time, it is not affordable by the complete market.

3.2 How to achieve a Premium positioning for a brand or a product?⁹¹

3.2.1 Segmentation and targeting

The first step that a company seeking for a premium position needs to do is to target properly. Even amongst the premium crowd, the company must define the people it wants to target. For example, Audi has a complete product portfolio among which even the start up line is premium. But this does not mean that Audi has a single segmentation. Audi has come up with different segments and different target markets to target.

To achieve a premium positioning, within the premium positioning segments we need to have the correct target markets in mind and to determine the profile of customer whom we are going to target. Only then we can come up with the right strategy.

3.2.2 Technological Advantage

A feature and top characteristic of premium products is that they have a huge technological advantage over their competitors. Therefore, if a company desire a premium positioning for its product or brand.

⁹⁰ www.TheAdaptiveMarketer.com, (consulted on 02/04/2019 at 23:03)

⁹¹ <https://www.marketing91.com/premium-positioning/> (consulted on 03/04/2019 at 23:33)

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And if its product has any chance at a technological advantage, then the company needs to use that advantage. It shows in the long run that technologically the product is superior to competitors.

3.2.3 The Marketing Mix

The marketing mix plays a crucial role in the premium positioning of a product. The marketing mix is very dynamic in nature and hence, all the different P's change with a change in even one P of the marketing mix. The various elements of the marketing mix determine premium positioning as follows.

- Product: The product design needs to be either a technologically advanced product, or a well designed product or a product which is diversified.
- Promotional mix: The promotions are the main factor to drive the positioning of a brand or a product. High quality advertising and communications is what drives the premium positioning of the brand. Both ATL and BTL methods need to be used for the proper positioning.
- Premium placement: Not only promotions, even the placement of the product needs to be premium. Most premium brands have outlets only in the premium sections of cities. Naturally, the costs in such areas are high which are covered by the high profit margin in the premium segment. However, without premium placement, it becomes very difficult to convince customers that it is a premium brand. For a reference, the distribution strategy of Apple.
- Price: The price alone is one of the strongest drivers of premium positioning. There are multiple reasons that the price of a premium product needs to be high.
 - The cost of the manufacturing is high because of the design and technological advancement of the product.
 - The company wants that the consumer perceive the brand as premium and hence the price has been kept high.

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- The price covers the high cost of operations mainly because the product will not move as fast in the market as a mass level product. Liquidity of a premium product is low and you need to hold inventory for longer times.
- A higher price means a higher perception of quality of the product.

3.2.4 Consistency and brand promise

All the factors above contribute towards the premium positioning of a brand. However, if a brand wants to remain premium, then, consistency is the key. A brand is considered a premium brand when it delivers a consistent set of premium features over a long period of time. Lamborghini, Rolls Royce, Cross pens are all premium brands which have remained premium for eternity.

This concept can also be called as a brand promise. If a brand promises you something (technological advancement, design superiority, psychological advantages) then it needs to maintain these promises for a long period of time. If it breaks the promise, consumers will not trust the brand much longer and hence it will not be treated as a premium brand for much longer.

3.2.5 Value creation

The more value a company deliver against a given product, the more it is capable of getting the premium position and raising the prices. With other words, once a company raises the prices and it looks like an acceptable value delivery even against the high price of the product, it has achieved premium positioning.

Diversification is also one of the major tools for value creation even at a high price. The more creatively you diversify, the more likelihood there is to demand a premium. This is why innovative companies like Apple, Google and others are leaders in the market. This is because they keep doing value addition for new as well as existing customers.

Google for instance encourages creativity across all its locations. It has specifically given creative time to all its engineers to develop their own projects. This ways, the engineers get a platform to be creative and because the company supported them, they generate more valuable projects which in turn increase the value of the company and the products. Thus, Google is a premium positioned company in the sector that it operates in.

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3.2.6 Making customers live an exceptional experience

Premium strategy is all about creating original and authentic experiences for customers whether we are selling a product or a service. Experiences are the best way to impact consumers and to make them remember our product or brand for the rest of their lives.

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Section 03: New- product launch control and monitoring

“While running toward a final goal is great, knowing if you are on the right path along the way is just as important,” Chris Ayala, CEO of Smartphone breathalyzer tells Business News Daily.⁹²

It means that once the product is out the door and released into the world, it is time to measure its launch effectiveness, the marketing and the management team will start asking much different questions.

Therefore, this section exposes monitoring indicators, as well as control indicators that a company must take into account when launching a new product. Moreover, it looks at the post product launch measures and reviews the most common causes for new-product failure. Finally, the most common causes for new-product failure are presented.

1. Monitoring indicators

There are two types of indicators: Marketing actions' performance indicators and the company's profitability indicators.

- Performance indicators⁹³: A number of ratios are systematically used whatever the marketing action planned.
- Sales volumes and turnover monitoring : Monitoring sales' volumes and comparing it with a past period and the setted objectives.
- Market share: in volume and value, and its evolution over the time.
- Communication: Measuring the evolution of the company's image and the brand awareness through indicators such as top of mind, spontaneous and assisted notoriety and image ratings.
- Customers: the customer being the center of the concerns of the company several indicators are devoted to it.
 - o Purchased quantities / number of buyers.

⁹² <https://community.uservoice.com/blog/measure-product-launch-success/> (Consulted on 02/03/2019 at 00:37)

⁹³ VAN LAETHEM, N, l'essentiel du plan marketing et opérationnel, Eyrolles edition, 2013, Paris, p230

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- Sum spent by act of purchase.
- Percentage of new buyers
- Percentage of households or consumers who buy a product or brand.
- Percentage of loyal customers out of the total number of customers.
- Percentage of exclusive customers to a brand or product.
- Percentage of customers buying two or more brands including the company's.
- Percentage of customers who abandoned the brand.
- Financial indicators⁹⁴: Two indicators are often used to measure the profitability of a marketing action:
 - Breakeven point: The minimum level of sales that a company must ensure before starting to generate profitability. It is calculated as follows: $PM = \frac{\text{sum of marketing investments}}{\text{product gross margin}}$.
 - ROI (return on investment): calculates the profitability percentage of a marketing action. It is calculated as follows: $ROI = \frac{\text{Net Margin}}{\text{Cost of the marketing action}}$.

2. Launch control indicators

Several indicators should be followed after launching a new product; these indicators should be adapted to the sector. Moreover, the different sources of information should be put in place. In fact, when there are panels, such as in supermarket distribution, or in sustainable products, the various indicators are collected regularly and systematically. In other sectors, for example in business-to-business, it is necessary to set up indicators at the launch time immediately.⁹⁵

⁹⁴ MEEK, H, MEEK, R, Strategic Marketing Management: Planning and Control, 2004, p252

⁹⁵ LENAGARD.E, MANCEAU.D, Op.cit., p280

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The different control indicators are detailed in the table below.

Table 5-Launch control indicators

| | Definition | Source type |
|------------------------------------|---|--|
| Commercial indicators | Sales volume Sales value Market share Other products sales in the range. Sales distribution according to the different references | Panels (if existing) Information provided by salesmen Orders data Store surveys |
| Communication indicators | New product awareness Advertising memorization Understanding, approval | Consumer surveys Advertising post-test |
| Indicators related to distribution | Shelf space Stock level Stock outs Actual sale price | Distributor panels (if existing) Sample of points of sell Sales records |
| Indicators related to consumer | Test rate Repurchase rate Average purchase volume per buyer Satisfaction Communication by word of mouth Consumers profile | Consumer panels (if existing) Consumer surveys Claims Analysis Internet forums dedicated to the product or product category, Sales force in business-to-business |
| Competitive Indicators | competitors' launches Promotional operations Price reductions Advertising | Analysis of the panels Sales records Press analysis Trade shows |

Source: LENAGARD.E, MANCEAU.D, Op.cit. p233

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3. Post product launch measures⁹⁶

Successful product launch does not end with only introducing the new product in the market and then forgetting about it. Some companies tend to adopt a casual attitude once their product is in the market and this is one of the biggest mistakes to commit. Post product launch is often the most underestimated phase in new product development. Post product launch is just not celebrating the company's achievement but also understanding how well its product is accepted by end-users and potential clients.

The company needs to interact more with its target customers after the product launch to ensure that they are not only satisfied with the new product or service but also getting the features and benefits as promised by its marketing team during promotions and campaigns. Besides, the company should speak to its customers over the phone, write them an email asking their feedback or ask its marketing team to conduct consumer surveys, or to visit them to find out what they think about the new product and the services rendered to them.

It is primordial to see how customers are reacting to the launch; this could be done by getting honest, real-time feedback and insight around their enthusiasm and market acceptance, and by monitoring feedback to see how they are responding to the launch, measuring brand perception before, during, and after the launch and monitoring every stage in customer's journey to ensure a positive experience.

Another measure can be taken, it is the design of a page in the company's website where customers can post their comments and opinions so that the company knows where it has succeeded and in which areas and if it still there is a scope of improvement.

As mentioned above, customer feedbacks are extremely crucial after product launch and need to be monitored carefully. So assigning an individual, who dedicatedly addresses customer queries and helps them whenever there is a problem may be a good idea. Moreover, a new product in the market definitely raises customer expectations and it is essential for a company to touch base with their clients on a regular basis to find out whether the new product has made them happy, fulfilled their needs and has been an effective replacement of what they have been using till now.

⁹⁶ JUNEJA, P, "Post product launch", <https://www.managementstudyguide.com>, (consulted on 02/03/2019 at 22:03)

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Customers are undoubtedly the “Kings” of every business. The company should never pass over their suggestions or complaints, and should not ignore them just because it has sold the product.

Usually, companies call press conferences and organize launch parties and events when a new product has to be introduced in the market but what about a post launch party? Organizing a post launch success bash and inviting the regular clients and also asking them to bring their friends, relatives will increase the popularity of the product and the company as well.

The company can also ask happy customers to write testimonials or make an interesting video where they share their success stories which can be further used for marketing purposes, relationship with customers does not end with the mere selling of the product but continues so that the company creates clients for life.

It is important to keep in touch with all the dealers and stores dealing with the company, keeping a track of sales, and monitor sales reports closely. If there is a dip in sales; it is an alert signal to quickly analyze the reasons behind it. The company must find out whether the product needs a price restructuring or should be marketed more aggressively.

Once the new product hits the shelves, a company’s team should visit the store frequently to not only interact with walk-ins but also understand as to why the customers are still not ready to invest in the company’s offerings. In such a case, marketers can get in touch with their advertising agency and ask them to design another exciting advertisement with some additional features and benefits as mutually agreed by the product team to catch customer’s attention.

Tying up with external auditors who carry audit of the products to ensure everything is as prescribed parameters and guidelines. In case of problems or manufacturing defects, the company needs to take action immediately. Any customer complaining of a product defect needs to be provided a replacement or adequate compensation.

On top of that, there is no telling how the broader market will receive the product launch until it is out there. Users often surface bugs or request features for use cases that nobody in the product development or pre-launch process anticipated. Product and marketing teams should be ready for these, and ready to pivot the launch messaging if it needs to change. Above all, teams should collect and analyze the user data and turn their focus to customer retention.

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If the product launch was a success, the team have to measure that success and subsequently share it by bring all sources of customer data together including social, digital, CRM and more to have a complete and transparent view of all aspects of the product launch, tracking key milestones and engagement metrics compared to previous product launch benchmarks and then communicating your success with executive stakeholders.⁹⁷

Eventually, comes the step of “Results recording for planning and posterity”, which means that when the launch period is over, teams should return to the strategy document and record their campaign results. Were they below or above expectations? Missing a target can mean that marketers have room to improve, but it’s also an indication that they are setting sufficiently audacious goals. With post-launch data, they can calibrate their plan and prepare for the next, even more audacious launch.⁹⁸

4. Most common causes for new-product failure

According to Robert Cooper, approximately 25 to 45% of new product projects fail and do not make it to the market and about 46% of the resources spent on development and launch of new products go to ventures that do not succeed.⁹⁹

The major causes for new product failure are:¹⁰⁰

- A lack of independent and unbiased research into the market and target audience: Steve Jobs for example, was not a fan of market research. He famously said “You can’t just ask customers what they want then try to give that to them. By the time you get it built, they’ll want something new.” Great entrepreneurs might succeed because they are passionate and determined to do so, but that is not without having done their due diligence first.
- The product falls short of claims made and suffers bad reviews: Companies often make extravagant claims about their products and consumers lose interest, which is a particular problem in this technological age when one person can spread bad news to thousands.
-

⁹⁷ SHANKAR, V, CARPENTER, G, Handbook of Marketing Strategy, Edward Elgar, 2012, P 65

⁹⁸ <https://mixpanel.com/blog/2018/06/05/product-launch-metrics/> (consulted on 02/02/2019 at 23 :20)

⁹⁹ COOPER, R, KLEINSCHMIDT, E, “What makes a new product a winner: Success factors at the project level”, “R&D Management”, 17.3. 1987, 175-189, p 176.

¹⁰⁰ <https://blog.oxfordcollegeofmarketing.com/2017/03/06/5-reasons-why-new-products-fail/>, (consulted on 05/03/2019 at 00 :42)

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- The product defines a new category and requires substantial consumer education, but they do not understand it: Many new products demonstrate classic “Red ocean thinking” and break new ground by offering consumers a different product to the competition. This is a key reason why new products fail as if the consumer does not understand the point of difference or if they do not understand what makes the product unique, they will simply stay with what they are used to.
- Simple margin rules make bad pricing policy: Price is the important element of the marketing mix as it is the only thing that brings in revenue, everything else is a cost. However, companies need to understand the value of the benefits their offering delivers to customers compared to alternatives, and then price according to that value.
- Weak launch or a poorly executed launch: Most new products require a reasonable degree of promotional support to build brand awareness and to access distribution channels and retailers. A limited launch budget or a poorly executed launch is another reason why new products fail.

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5. Possible corrective actions

When the new product sales are not up to the objectives, various corrective actions can be considered and planned as the sales progresses.¹⁰¹

Table 6- Corrective actions to the main problems appearing during a new-product launch phase

| Adoption process step | Problem's possible causes | Possible corrective actions |
|------------------------------|---|--|
| product awareness | Poor communication budget relative to the target size | -New communication campaign -New choices in media planning |
| Interest | 1.Unattractive advertising content 2.Advertising's bad attribution to the new product | -Message changing |
| Trial | 1. Poor presence in store: insufficient referencing, stock-outs 2. Poor visibility on the shelf: unattractive packaging, insufficient shelf space 3. Few trial opportunities 4. Price perceived as too high | -Actions towards distributors to increase the shelf space -Packaging changing -Samples distribution -Price promotion, -Cheaper references introduction |
| Repurchasing | 1.Low number of buyers: Dissatisfaction with use: gap between the promise and the product, weak instructions for use, low effective product performance 2. Low average of purchased quantities: price perceived as too high, use opportunity not understood. | -Advertising positioning changing. -Writing new instructions for use -Product modification -New communication on opportunities for use -Price drop |

Source: LENAGARD.E et MANCEAU.D, Op.cit., p244

¹⁰¹ LENAGARD.E et MANCEAU.D, Op.cit., p243

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Conclusion

There are a variety of ways to create new products. To choose the best strategy companies have to know very well the market they operate in, they have to carefully evaluate their current resources and to identify market needs.

The launch of new products is a complex process, which requires a good organization of multiple steps that must be followed one by one and a coherent marketing mix.

New-product development involves more than just going through a set of steps. Companies must take a holistic approach to managing this process. Successful new-product development requires a customer-centred, team-based, and systematic effort.

Developing a new product necessitates serious investments, time, effort, pace of working, background knowledge, and communication skills. The voice of the customers has to be taken into account in order to ensure that a competitive product is produced.

Once the product is launched in the market, another stage follows; it is the stage of monitoring and control of the launch. Monitoring and control of product launch is necessary to detect difficulties and to consider corrective actions.

Premium Positioning is achieved by focusing efforts and optimizing products for a segment of the market that is willing to pay a premium price.

Chapter III

Tracking and analysis of «PRIL ISIS GOLD» launch

Chapter III: Tracking and analysis of «PRIL ISIS GOLD» launch

Introduction

The dishwashing liquid market is becoming increasingly competitive, the suppliers are multiplying, and the demand is more sophisticated.

The quality of the product in the dishwashing liquid market is important for the commercial success of the product; however you can have the best product in the world and suffer a launch failure.

Promotion and introductory price are very important since they determine the positioning of the product; therefore, it is necessary to associate the appropriate communication and the appropriate price to the desired positioning.

That being said, this chapter will discuss the challenges faced by “Henkel Algeria” at the launch of its new product "PRIL ISIS GOLD" in the premium Hand Dishwashing segment. To achieve this:

- The researcher will talk about Henkel Algeria in general and its organizational structure.
- Then, he will describe and analyze the launch of the new product “PRIL ISIS GOLD”.
- Finally, the researcher tries to answer the main question of this study by conducting a survey among consumers and analyzing data, then discussing the results.

This study seeks evidence that will confirm or refute the hypotheses.

Section 1: General overview of the company and the HDW

Segment

This section exposes the hand dishwashing liquid market in Algeria and its constituents, as well as Henkel Corporation and its development. Moreover, the organizational flowchart is presented, and more particularly, the marketing department where the practical training was held.

1. The overall Hand Dishwashing liquid market in Algeria

The Algerian dishwashing market has undergone a radical change, with the switch from multipurpose powder products to specialize liquid products.

This radical change was initiated by Henkel Algeria, which has modernized the market by introducing the first dishwashing liquid in Algeria: ISIS PRIL. This is considered as a breakthrough innovation, because it has changed the uses and habits of consumption.

This change that has upset the market has made the initiator of this innovation Henkel Algeria the reference to follow. As a result, the market has become very competitive; with the emergence of multiple brands of local and even imported dishwashing products, and since, the market has not cease to evolve.

Despite the tough competition, PRIL ISIS has managed to keep its leading position till this day with a market share of 70%, followed by Test (12%) Fairy (10%) and Aigle (7%).

The following brands share a percentage of 1% of market share: Amir Clear, Force xpress, Paic, Brillex, Action, Stic, Nor, Mir, Mr Clean.

2. Overview of Henkel group

Henkel operates globally with a well-balanced and diversified portfolio. The company holds leading positions with its three business units in both industrial and consumer businesses thanks to strong brands, innovations and technologies. Henkel Adhesive Technologies is the global leader in the adhesives market, across all industry segments worldwide. In its Laundry & Home Care and Beauty Care businesses, Henkel holds leading positions in many markets and categories around the world.

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Founded in 1876, Henkel looks back on more than 140 years of success. Henkel employs around 53,000 people globally, from more than 120 countries; a passionate and highly diverse team united by a strong company culture, a common purpose to create sustainable value, and shared vision. As a recognized leader in sustainability, Henkel holds top positions in many international indices and rankings. Henkel's preferred shares are listed in the German stock index, DAX.¹⁰²

- ❖ Vision: Leading with innovations, brands and technologies.
- ❖ Mission: Serving customers and consumers worldwide as the most trusted partner with leading positions in all relevant markets and categories, as a passionate team united by shared values.
- ❖ Values: putting customers and consumers at the centre of what the activity. Anticipating, responding to and exceeding customers' and consumers' expectations by providing the best value, quality, service and winning innovations, brands and technologies to create sustainable value.

3. Overview of Henkel Algeria and its development

HENKEL Algeria is a joint-stock company; which has two production units located in Réghaia (center) and Chelghoum Laid (East). Réghaia unit provides the production of liquids, while Chelghoum Laid ensures the productions of powders. It is headquartered at: 22 rue Ahmed Ouaked, Bois des cars 3, Delly Brahim Algiers. HENKEL Algeria employs nearly 1220 employees including 479 blue collars and 741 white collars.

Blue collar: Relating to manual work or workers, particularly in industry.

White collar: Relating to people who work in offices, doing work that needs mental rather than physical effort.

¹⁰² <https://www.henkel.com/company> (Consulted on 08/03/2019 at 13:43)

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- Development of the company:
 - ❖ **2000:** Joint venture between Henkel (60%) and the Algerian partner ENAD: Entreprise nationale des détergents et des produits d'entretien (40%) on May 23th. With a capital of 1,760 billion.
 - ❖ **2001:** Inauguration of two operating production sites Reghaia & Ain Temouchent.
 - ❖ **2002:** Chelghoum el Aid plant was acquired (Henkel 60%, ENAD 40%).
 - ❖ **2004:** Henkel bought the remaining 40% of l'ENAD.
 - ❖ **2005:** The Plants are certified according to ISO 9001, ISO 14001, ISO 50001 et OHSAS 18001.
 - ❖ **2016:** The production unit of Ain Temouchet is sold to a consortium of local investors.
 - ❖ **2018:** Expansion of the Reghaïa website. .Phase one of the Reghaïa site project is completed.

Henkel Algeria operates in one business area which is Laundry & Home Care, with a focus on four deferent segments:¹⁰³

Table 7- Henkel Algeria's business areas

| Portfolio | Segment | Brand |
|-----------------------|-----------------------|--------------|
| Laundry Detergents | Value for money | ISIS |
| | Leading premium | Le CHAT |
| Dishwashing | Dish washing liquid | Pril ISIS |
| Hard Surface Cleaners | Hard surface cleaners | Bref |

Source: Henkel Algeria documents

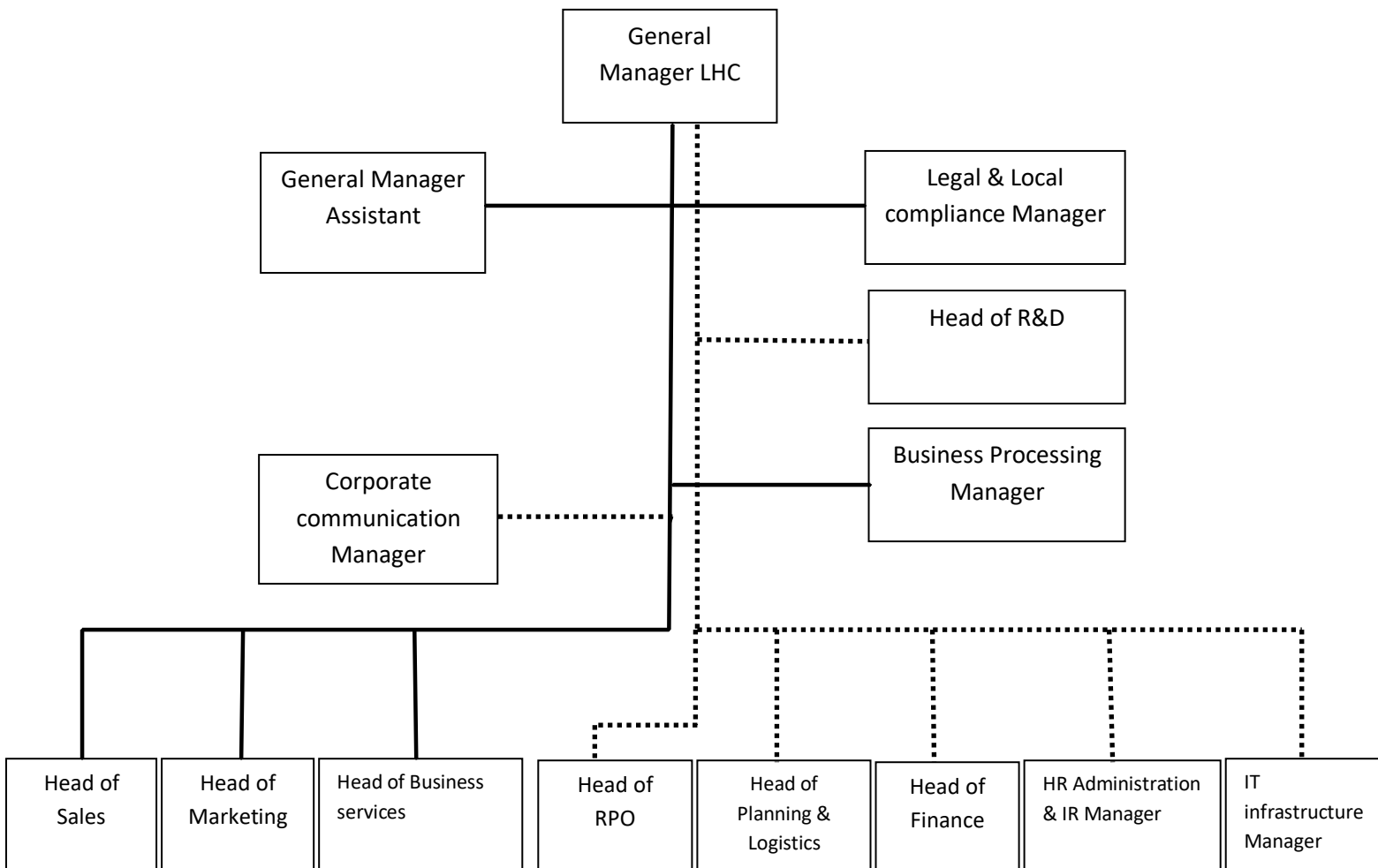
¹⁰³ Henkel Algeria documents

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4. The organizational flowchart

As demonstrated in the following page, the organizational flowchart of Henkel Algeria comprises various departments:

Figure 5- General Management Organizational Chart



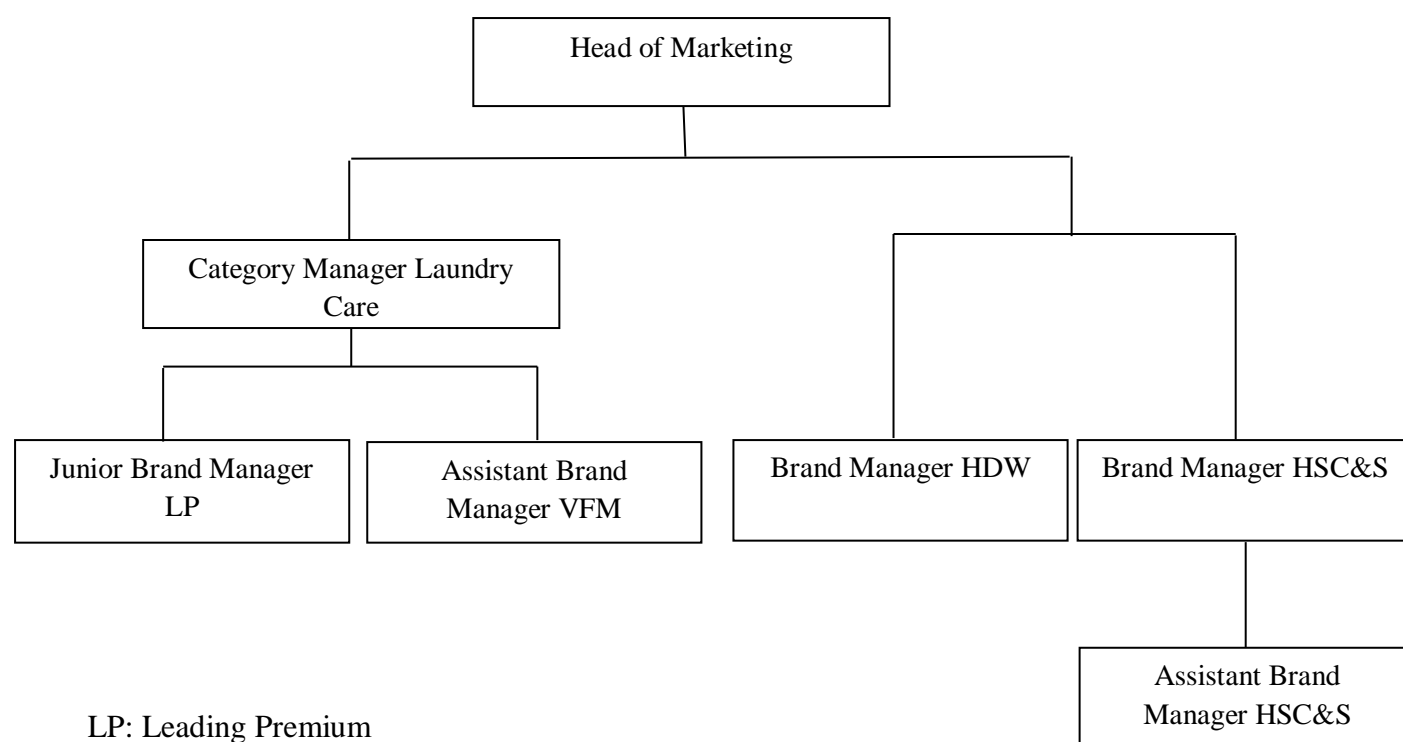
Source: Henkel Algeria's HR Department

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5. The marketing department flowchart

The following figure demonstrates the marketing department flowchart, with its main sections and sub-sections:

Figure 6- Marketing department flowchart



LP: Leading Premium

VFM: Value for Money

HDW: Hand Dishwashing

HSC&S: Hard Surface Cleaner

Source: Henkel Algeria's Marketing Department

Chapter III: Tracking and analysis of «PRIL ISIS GOLD» launch

6. Overview of the Hand Dishwashing liquid segment (HDW)

➤ PRIL ISIS History

PRIL ISIS is the undisputed leader in the hand dishwashing liquid market in Algeria with an estimated market share of 70%. This position was mainly built thanks to the brand heritage of ISIS (first dishwashing liquid launched in Algeria), a strong perceived performance and pleasant perfume.

Through the years, PRIL ISIS had been a solid growth driver for Henkel Algeria business and continues to be. 2018 was more challenging and the brand growth is getting slower because of the aggressive competition.

➤ HDW segment Background:

- The HDW segment growth is getting slower.
- Aggressive price increases have been applied during the 2 past years.
- Competition improving quality and investing more in brand equity and functional image (Fairy, Test, Aigle...).
- Competitors are more and more aggressive on ATL & BTL, discriminating directly vs. PRIL ISIS.

➤ Products Portfolio:

- 650ml format, lemon variant and orange variant.
- 1.25L format, lemon variant.
- 3L format, lemon variant.

The three products have been re-launched under a new concept « 5 in 1 » in July 2018.

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7. Presentation of the new product “PRIL ISIS GOLD”

PRIL ISIS GOLD was launched in mid December 2018 as a reaction to competition and for a better satisfaction to consumers 'needs.

➤ Objectives:

- Build premium segment
- Elevate total brand image
- Enlarge shelf space
- Stop FAIRY's claims of superiority

➤ What is the new PRIL ISIS GOLD? (**Appendix D**)

- Ultra concentrated formula
- German Technology
- Less effort & time saving

➤ Strategic target:

- Middle age Algerian housewives, 25 to 55 years old, active & non-active.
- SEC (Social Economic Classes): A, B, C+
- A woman with high requirements for comfort and aesthetics.
- The “Uncompromising Perfectionist”: family-oriented, feels responsible for and defines herself via household work, cares for social recognition, derives confidence and self-esteem from it, performance is very important for her. Dynamic, smart and ambitious. Looking for product with strong degreasing power, rich foam and long-lasting perfume. Loves cooking and trying new dishes. Home and family are her main priority. She likes big gatherings. She likes receiving people, friends and family. She likes watching TV during her spare time.

Section 2: Critical analysis of “PRIL ISIS GOLD” launch

In the present section we tend to analyze the process of "PRIL ISIS GOLD" development and launch, by Henkel Algeria Corporation, based on the information gathered during the internship period, deducted from documentation, field visits, and interactions with the marketing team. Simultaneously, we will compare Henkel's actual new-product development to the one described in literature.

From there we can respond to the first sub question: Has Henkel Algeria followed a typical launching process for its new product development "PRIL ISIS GOLD"?

1. The new-product strategy followed by Henkel Algeria

According to the literature review, a company can make new products through different strategies, such as product improvement or modification, product innovation and product imitation.

Since Henkel Algeria has come up with a whole new formula thanks to the R&D department, has used different raw materials from the ones used in its existing products, and it has developed a brand new packaging with a different bottle opening system, we deduce that the company has gone for a product-innovation strategy for its new product "PRIL ISIS GOLD".

Contrary to what the company usually does when modifying only fragrances, doses, packaging, but leaves the same formula. For instance, the modifications done on the dishwashing liquid "PRIL ISIS" in June 2018: Henkel Algeria replaced the old concept "the power of one hundred lemons" by the new concept “5 in 1” without changing the formula. Another example may be the introduction of the new variant and fragrance "Orange" in August 2018. Conforming to literature, this is considered as product-improvement or product-modification strategy because it is only brand maintenance and project resuscitation.

2. The launching process of "PRIL ISIS GOLD"

2.1 Idea generation

After discussion with the marketing department staff of Henkel Algeria, we immediately concluded that "PRIL ISIS GOLD" launch was foremost a reaction to competition.

The dishwashing liquid “PRIL ISIS GOLD” has often been attacked by the foreign competitor "Fairy" produced by Procter and Gamble, which claims in many advertisements that "Fairy" is three times more effective than the regular “PRIL ISIS” and that "Fairy" is the equivalent of three bottles of “PRIL ISIS".

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Obviously "Fairy" attacks "PRIL ISIS" and not any other brand for the reason that "PRIL ISIS" is the leader in the Algerian liquid dishwashing market detaining the largest market share.

On the other hand, Henkel Algeria knew from previous market studies that "PRIL ISIS" does not meet some consumers' needs. Generally, those who are looking for a product with higher quality and higher efficiency will choose to buy "Fairy" because they do not find a product that is equivalent to it.

To conclude, Henkel Algeria had come up with the new product idea from the desire to make a superior product than its existing product "PRIL ISIS" (building a premium segment) that can:

- Compete the imported product "Fairy" and block its claims.
- Satisfy consumers looking for a stronger performance.

2.2 Idea screening

The R&D department has proposed several product formulas with several different costs. The "PRIL ISIS GOLD" formulas have been tested internally through labs tests, and externally using "blind tests" where consumers try more than one formula and then choose the one that pleases them the most.

These tests have helped the company screen the different product ideas (in this case formulas) taking into consideration several parameters such as costs, because the most important thing that marketers should pay attention to is definitely product profitability.

2.3 Concept testing

As stated in theory, concept testing refers to the process in which a concept statement is presented to potential buyers or users to obtain their reactions.

Generally, it proceeds as the following:

Several concepts are presented to a focus group to eventually choose the concept that is the most accepted. This concept must be then developed, changed or improved according to consumers' observations and expectations.

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To illustrate this point, A scenario of different concepts for “PRIL ISIS GOLD” is imagined by the researcher based on consumer insights provided by Henkel Algeria documentation:

First concept: I'm looking for a dishwashing liquid with a very concentrated formula, a lot of foam or foam that lasts longer.

Second concept: I'm looking for a dishwashing liquid with an effective formula, and that protects my hands.

Third concept: I'm looking for an ultra concentrated dishwashing liquid, that degreases easily without a lot of effort and scrubbing.

The concept testing has not taken place when developing “PRIL ISIS GOLD”.

Henkel Algeria does not usually escape this step, especially when launching products that are somewhat complex or conceptually new. But we suppose that since "PRIL ISIS GOLD" is simpler and more familiar product, the concept testing has been neglected.

However, this process can be very helpful to build the new-product communication because it provides marketers with information about what might be interesting for consumers and what must be put forward to attract them.

2.4 Marketing strategy development

- Segmentation: According to Henkel Algeria documentation and PRIL ISIS brand manager statements, the dishwashing liquid market is divided into two segments, the local products segment and the imported products segment.
- Targeting: For its regular product “PRIL ISIS 5 in 1” Henkel Algeria targets all the social economic classes A, B, C and D, knowing that:
 - A and B classes are households who are affluent, doing very well, and can afford to buy a premium, higher priced product.
 - C and D classes are middle class households, who may be tempted by the new product.

However, for PRIL ISIS GOLD, Henkel Algeria has chosen to target A, B and C+ Socio Economic Classes.

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A and B: Because the company wants a premium positioning for its new-product. Besides, these classes can afford a premium price.

C+: Because the goal of the company by launching "PRIL ISIS GOLD" is to make the premium segment accessible unlike the competitor "Fairy".

- **Positioning:** Henkel Algeria wants PRIL ISIS GOLD to be seen by the target population as a premium product, with a high performance than the regular PRIL ISIS and the same quality to its direct competitor "Fairy". The company associates the new-product to the European quality and the German performance.
- **Marketing mix development:** The marketing mix strategy is described and examined in the next part of present section.

2.5 Business analysis

No market surveys nearby consumers were conducted to estimate sales for the new product. However sales forecast was done internally, a simulation has been conducted by the financials department in order to analyze the new-product's profitability and financial attractiveness by the estimation of costs.

2.6 Product development

Some prototypes have been produced and tested through "alpha testing" described in literature review (the firm's R&D department). Prototypes at Henkel are called "zero production" and it includes a phase of risks assessment.

This sample of the product has gone through different test trials by the R&D department, such as transport tests as well as storage tests, to determine whether the product performs well and whether it satisfies the need for which it was intended.

No "beta testing" in which we use potential consumers to examine the product was managed.

The "zero production" step can be neglected if the risks are low and the changes on the new product are not great. For instance, re-launching a product with a different scent, like the "PRIL ISIS 5 in 1" that was re-launched with the orange fragrance in August 2018.

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2.7 Test marketing

Market testing has not been conducted by Henkel Algeria.

We suppose that the company was confident about PRIL ISIS GOLD because the previous steps of the development process were quite respected, or because it has copied the competitor successful product.

However, it would have been better to not neglect this step which is important to observe consumers' reactions and feedbacks towards the new-product, to see the adequacy of the product and to set realistic business objectives.

Moreover, no market testing remains risky for the reason that the possibility of the new-product failure may affect the strong brand image of PRIL ISIS and its leading position.

2.8 Commercialization

- Introduction event: To release its new products, Henkel Algeria has organized an introduction event to present its novelties "PRIL ISIS GOLD" and "Le Chat Premium" to its salesmen. The event took place at CIC (Centre international des conférences), in Cheraga, Algiers, under the theme of "Henkel Golden Star".

The event has been carefully organized, so it can reflect the premium image associated to these new products. It has included a prestigious dinner, shows, magic tricks, and plays. In addition, gifts and samples were distributed to the audience at the end of the event. (**Appendix E**)

Despite the big investment, this event has not created a buzz and did not contribute in making the new product known to consumers.

Inviting media journalists and opinion leaders besides salesmen would have been effective in getting consumers' attention, generating interest and creating excitement among them for the new product.

- Introduction timing: PRIL ISIS GOLD was planned to be launched in October 2018, however, the marketing budget was not enough to start the communication campaign that was supposed to support the launch. The introduction of the product in the market has been then postponed to mid December 2018 pending for the New Year's budget to start the campaign.

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2.9 Monitoring and evaluation

Henkel Algeria takes the "post product launch" phase seriously, in fact, several measures has been planned in order to control and evaluate the launch of its new product "PRIL ISIS GOLD".

The different actions are:

- Internal sampling: Giving samples of the new product to employees for internal feedback.
- Carrying out IHV (In Home Visits): Visiting consumers to find their opinions about the new product, to interact with them, to see how they are using the product and to see how they are responding to its launch.
- Checking customers' comments and reactions on PRIL ISIS social media page.
- Visiting stores that commercialize the new product and keeping in touch with distributors and salesmen.
- Asking the sales team to track sales and to provide daily sales reports.
- Conducting consumer surveys (The present research is a part of it).

3. The mix-marketing of PRIL ISIS GOLD

3.1 Product

- Product function: An efficient dishwashing liquid with a lot of foam. German Technology able to remove grease and crusts with less scrubbing and less effort. Improved formula equal to Fairy's, Tests show that the foreign product "Fairy" and PRIL ISIS GOLD have the same performance.
- Product intangible advantage: New formula which is less effort consuming, which changes the life of any housewife in different ways, such as being satisfied and confident about the cleanliness of her kitchen, not being afraid to receive people and try all the dishes she wants, having larger spare time for herself, spending more time with her family.
- Product formula: Ultra concentrated formula. Only few drops of it are enough to wash a big quantity of dishes.

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- Product format, shape: A smaller bottle than any other product in the same range, bottle countenance capacity same as Fairy's (450 ml). Golden bottle, differentiated from the transparent bottle of the current product PRIL ISIS 5 in 1, Practical bottle cap, easy to use, more operational and different from the "push pull cap".
- Packaging: Several elements were highlighted with the aim to catch consumers' attention and pass few chosen messages. Some of these elements are the drop which reveals that "PRIL ISIS Gold" is ultra concentrated, The German flag to communicate to consumers that "PRIL ISIS Gold" is a German technology and to make the illusion that it is an imported product. The third element that was exposed is the expression "N°1 en Algérie" in order to remind consumers that PRIL ISIS is the leader in the Algerian dishwashing liquid market.
- Product generic name: "PRIL ISIS GOLD", the expression is attractive, simple and easy to remember. The word "gold" denotes the effectiveness of the dishwashing liquid, it is synonym of premium and high-range, it expresses better quality and performance, and quality developed by professionals.

3.2 Price

Henkel Algeria's strategy is to sell its product PRIL ISIS GOLD at a slightly cheaper price than its main competitor "Fairy" which is marketed at 220 DA in order to make the premium segment more affordable. Therefore PRIL ISIS GOLD is commercialized mainly at the price of 175 DA.

According to literature, this is called penetration pricing strategy.

3.3 Place

- Same as the existing product "PRIL ISIS 5 in 1" that is present everywhere, the company has decided to launch its new product "PRIL ISIS GOLD" not in a single location or a single region but in the national market. We deduce that the new product has followed the same distribution channels as all Henkel Algeria's products. However, this is a little bit contradictory to the premium strategy which generally favours selective distribution over intensive distribution to create the premium positioning for the product.

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- Usually "PRIL ISIS" and its competitors have the same cardboard box with the same capacity (one box of ten bottles). But for the "PRIL ISIS GOLD" Henkel Algeria plays on how to accelerate the distribution and the penetration of the product. Thus, the company developed a box of twenty bottles like Fairy's, for a faster rotation and larger market coverage.
- PLANOGRAM, Merchandizing, Presentation of products on shelves: The company asked distributors to place "PRIL ISIS GOLD" next to "Fairy" or next to imported products if they don't have "Fairy" on point of sales shelves, in order to strengthen further their strategy, which is competing "Fairy" and making consumers understand that this new product has the same performance as "Fairy" or as foreign products. Especially that "Fairy" is having importation problems, and do not have a production factory in Algeria, so Henkel Algeria is seizing this opportunity to take over Fairy's market share, and stay the leader in the dishwashing liquid segment but also be the leader in the premium segment.

The sales pitch presented to distributors is in **appendix F**.

3.4 Promotion

Since the company has launched a premium product, a premium communication and visibility were required.

3.4.1 Above The Line advertising (ATL): Henkel Algeria has chosen TV to communicate about its new product, since it has the financial potential required. Moreover, television is the best media to promote a premium product such as "PRIL ISIS GOLD", and the most effective way to get closer to the target population which turned out to be a TV audience from the consumer insights. Besides TV, digital has also been used to communicate on the new product and interact with consumers about it.

- TV advertising: For a premium communication, a European advertising copy is used intentionally, with an obvious dubbing so that consumers associate the product to German quality and to imported products, because generally, foreign products are perceived by Algerian consumers as products with better quality and higher performance. (**Appendix G**)

The TV advertising was broadcast from mid-January to March 28, 2019 and throughout the month of Ramadan 2019 on ECHOUROUK TV, ENNAHAR TV and SAMIRA TV.

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- Sponsorship of television programs: Through “in and out billboards”, different TV programs have been sponsored:
 - The cooking show “BENBRIM family” on Samira TV.
 - The Algerian serial “MACHAIR” in Ramadan 2019 on ENNAHAR TV.
 - Turkish series “HOB AAMA”, “DAKHIL” and “ORTUGHUL” on ECHOUROUK TV.

Definition of Billboard: Brief announcement, usually not more than 10 seconds long, identifying the sponsors. It is broadcast at the beginning and/or at the end of a sponsored radio or television program.¹⁰⁴

- Inserted advertising: Short graphic animations, such as logo or product image inserted during sponsored programs. It has been used for the Algerian serial “MACHAIR” in Ramadan 2019 on ENNAHAR TV.

Television channels and programs are chosen based on the recommendations provided by a media agency that does a monthly tracking in order to evaluate the viewing rates on each channel and for each program. The analysis of the audience generated by each TV channel in line with the target audience is in **appendix H**.

- PRIL ISIS FACEBOOK page: Digital is indisputably the new mode of communication and Henkel Algeria being an innovative company had to adapt to this digital revolution, especially since it plans to be fully digitized by 2020 (Strategy Henkel 2020).

In addition to the connectivity of its target population and the presence of a young target in FACEBOOK which represents a future and potential target to Henkel Algeria.

Different contents have been shared on the FACEBOOK page to communicate about the new-product: posts, videos and games.

¹⁰⁴ <http://www.businessdictionary.com/definition/billboard.html> (consulted on 06/06/2019 at 17:36)

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3.4.2 Below the line advertising (BTL):

- Innovative and modern Point Of Sales Materials (POSM): **Appendix I**
- Modern Trade activations and sales promotion:
 - Organization of a raffle with gold coins to win all along the month of Ramadan 2019.
 - Sales promotion: Below the promotion mechanism.

| Purchase | Gift |
|---|------------------|
| PRIL ISIS 650 ml+ PRIL ISIS 1,25L+ PRIL ISIS GOLD | Bottle opener |
| PRIL ISIS 3L+ PRIL ISIS 650 ml (orange)+ PRIL ISIS GOLD | Washing-up brush |
| 3 bottles of PRIL ISIS GOLD | Fridge magnet |

We judge the above mechanism very weak, a pack to buy without a promotional price for a small gift would not attract many shoppers. There is a poor chance that consumers perceive any value from this purchase or see this promotion as an opportunity.

- We have noticed that no price discounts were planned for the first year, for the reason that "PRIL ISIS GOLD" is still a new product and the company prefer to maintain the price so that consumers understand the product positioning, get used to this price and perceive it as a product with greater value than competitors' product and the current "PRIL ISIS 5 in 1".

To precise, *above the line (ATL) advertising* is where mass media is used to promote brands and reach out to the target consumers. These include conventional media as we know it, television and radio advertising, print as well as internet. This is communication that is targeted to a wider spread of audience, and is not specific to individual consumers. ATL advertising tries to reach out to the mass as consumer audience. On the other hand, *below the line (BTL) advertising* is more one to one, and involves the distribution of pamphlets, handbills, stickers, promotions, brochures placed at point of sale, on the roads through banners. It could also involve product demos and samplings at busy places like malls and market places or residential complexes.¹⁰⁵

¹⁰⁵ <http://www.theadvertisingclub.net> (consulted on 18/03/2019 at 23:33)

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The ATL and BTL activities have not gone along with the launch of the new product. According to the trade and marketing teams, delaying the promotion gave consumers room to notice the product on shelves and to form their own perceptions about it. Came then the marketing support to reveal more about the product and boost sales even more.

However, delaying the promotion for a new-product is often not very strategic, in fact, some companies choose to promote their products months before the launch such as Apple, in order to create buzz around it and excite consumers to have it.

After analysis, we came to the following conclusions:

- Even though, Henkel claims that their new product is a full innovation for the dishwashing liquid market, we have noticed a lot of similarities between its new-product "PRIL ISIS GOLD" and "Fairy" by Procter and Gamble. For example the bottle's cap, the bottle countenance capacity as well as the distribution system. Therefore, PRIL ISIS GOLD is an innovation for Henkel Algeria itself but an imitation for the dishwashing liquid market.
- The launching process described in the literature review part was well followed by Henkel Algeria. However, some steps such as concept testing as well as the marketing test had been neglected.
- Henkel Algeria has adapted every variable of the marketing mix to the premium segment to which the new product is dedicated.
- The critical analysis shows that the process of development of the new-product has been quiet respected by Henkel Algeria, except the concept testing as well as the market testing which are not mandatory steps. This leads to *confirm the first hypothesis* that says: ***Henkel Algeria has followed a typical launching process for its new-product development.***

Section 3: Processing and analysis of the survey

This section is divided into three parts. The first exposes an explanatory view of the methodology used in this research. The second, “data analysis and findings”, presents, evaluates and discusses the main findings of this study, followed by the third where hypothesis are evaluated based on the results of the analysis.

1. Research methodology

1.1 Research approach and strategy

According to literature, the inductive reasoning approach implies developing theory from observation or collection and analysis of data to reach a conclusion, in contrast, the deductive approach means developing hypothesis based on the theory reviewed in the literature. In other words, inductive approach is usually described as moving from specific to general, while deductive reasoning can be seen as arriving at conclusion from general principle.¹⁰⁶

In the present research, *deductive reasoning approach* is used for the simple reason that new-product development strategy and new-product development process are widely researched and many theoretical frameworks have been developed in this area. Therefore, there is no need to develop a new theory on this concept.

The deductive strategy is associated with a *quantitative research approach* because it matches the aim of the study.

1.2 Data collection tool

Since information will be gathered using *quantitative research strategy*, the data will be collected using survey, which is an effective research technique and tool used in this strategy.

The survey is done by means of a questionnaire that is pilot tested, distributed to a target group and finally analyzed by the SPSS software.

¹⁰⁶ BRYMAN, A, Social research methods, 4th edition, Oxford University Press, Oxford, 2012 , p.28

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1.3 Sampling adopted method

In this research, *non-probability sampling* method is used since a sampling frame is not provided; moreover, the sampling technique used is *purposive sampling*, commonly known as judgmental, selective or subjective sampling, where the researcher samples with a purpose in mind, it occurs when elements selected for the sample are chosen by the judgment of the researcher.¹⁰⁷

Furthermore, for a *reliable study*, the following measures were taken:

- Spatial sampling was respected: The questionnaire was administrated in several places.
- Temporal sampling was respected: The questionnaire was administrated at different timescales.
- We have chosen people we do not know.
- We have avoided probing people with relatives working in marketing or advertising, for the reason that consumers with this criterion may well be influenced by the opinion of their relatives without even trying the product.
- The questionnaire was translated to Arabic and French to provide more clearness to the questions and make the questionnaire easier to understand.

1.4 Research objective

The objective of this study is to examine on one hand the process of launching the new product "PRIL ISIS GOLD" on the premium, on the other hand, to follow this launch nearby consumers by analyzing their feedbacks towards marketing actions to eventually identify the challenges faced by Henkel Algeria at the launch of this new-product.

1.5 Research target population

The questionnaire is aimed to women aged between 20 and 55.

1.6 Sample size

With a 95% confidence interval and a 5% margin of error, we have targeted a sample of 384 people to ensure representative sampling. But due to lack of time and resources, we have been unable to reach the desired sample. Therefore, our sample of 200 is not representative.

¹⁰⁷ SAUNDRES, M, LEWIS, P and THOENHILL, A, Research methods for business students, 7th edition, Pearson, London, 2016. p.301

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1.7 Presentation of the questionnaire

Table 8 - Detailed technical sheet of the survey

| | |
|----------------------------------|--|
| Research approach | Deductive reasoning approach is used |
| Research strategy | Quantitative research strategy |
| Data collection technique | Self-administrated questionnaire (Appendix A) |
| Questionnaire design | <p>-The questionnaire comprises a double-sided page.</p> <p>-Elements of both forms and content were taken into consideration to ensure a high response rate.</p> <p>-The questionnaire was translated to Arabic and French (Appendix B&C) to provide more validity to the results and make the questions easier to understand.</p> <p>- An emailed hyperlink of the questionnaire was created in two languages Arabic and French, using Google Forms, and distributed on “PRIL ISIS” FACEBOOK page.</p> <p>-The questionnaire comprises seven sections:</p> <ul style="list-style-type: none"> ○ Section one: Analysis of needs, brands awareness Comprises questions 1,2,3,4,5 ○ Section two: The new-product awareness. Comprises questions 6,7 ○ Section three: Product use, perceived quality. Comprises questions 8,9,10,11,12 ○ Section four: Positioning perception. Comprises question13 ○ Section five: Price perception. Comprises questions14,15 ○ Section six: Impact of the communication (items1-6), loyalty (items7,8) Comprises question16 ○ Section seven: Basic information about participants Comprises the last three questions |

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| | |
|--|--|
| <p>Measures</p> | <p>-Use of open question (question3) and closed questions: List, Category and Rating questions.</p> <p>-Respondents were asked to indicate the level of agreement or satisfaction with each statement on a 5 point <i>LIKERT scale</i>. (From 1= strongly disagree/dissatisfied to 5= strongly agree/satisfied).</p> |
| <p>Pilot study</p> | <p>-The questionnaire was pilot testing among 10 female households.</p> <p>-Some issues appeared:</p> <ul style="list-style-type: none"> ○ Respondents mentioned others brands of dishwashing liquids that were not considered by the researcher. ○ Respondents linked the new-product to other attributes such as imitation and local product ○ Respondents claimed that the new-product damages the skin of hands, which was not considered by the researcher. <p>-The questionnaire was improved and some modifications were made in order to obtain reliable information.</p> |
| <p>Validity</p> | <p>-The questions were adapted from previous studies according to the information need of “PRIL ISIS” brand manager.</p> <p>-Pilot study was carried out to assess validity of the questionnaire.</p> <p>-Validity and reliability test was performed using SPSS 21.0.</p> |
| <p>Sampling method, technique and target population</p> | <p>-The sampling method used is non-probability sampling.</p> <p>-The sampling technique used is judgmental sampling.</p> <p>-The target population is: Women aged between 20 to 55</p> |

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| | |
|---|--|
| <p style="text-align: center;">Conducting survey</p> | <p>Questionnaires were distributed:</p> <ul style="list-style-type: none"> -From 10/04/2019 to 20 /05/2019 -In various two areas in Algiers: ARDIS hypermarket and CARREFOUR hypermarket. <p>And delivered among consumers, on an emailed hyperlink on social media, to ensure that the sample represents the whole population across all cities of Algeria.</p> <ul style="list-style-type: none"> -234 questionnaires were returned, 200 were sampled and 34 deleted. <p>Response rate: 85,47%</p> |
| <p style="text-align: center;">Data analysis</p> | <ul style="list-style-type: none"> - Univariate, Bivariate and Multivariate analysis were performed in this research. -IBM SPSS 21.0 is used to analyze data. -Microsoft Office Excel 2007 is used to generate graphs. |

Source: Developed by the researcher

2. Data analysis and findings

In this part, the main findings of this study are presented and discussed using IBM-SPSS 21.0 to analyze data and Excel 2007 to extract graphs.

First, errors are checked and reliability and validity test is performed. Then, univariate analysis, bivariate analysis and multivariate analysis are conducted to eventually confirm or reject research hypotheses.

2.1 Checking for errors

First, before conducting the analysis of the data, we found it essential to start with checking for errors. We checked each of our variables for scores that are out of range, no error was found in the data inserted in SPSS.

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2.2 Validity and Reliability test

The value of the reliability test is found to be high and close to one, which denotes a very good internal reliability. The table below provides the result for the test.

Table 9 - Reliability Statistics

| Cronbach's Alpha | Cronbach's Alpha based on standardized items | N of Items |
|------------------|--|------------|
| ,817 | ,818 | 30 |

Source: SPSS data analysis

2.3 Univariate analysis and findings

➤ Socio-demographic characteristics of the respondents

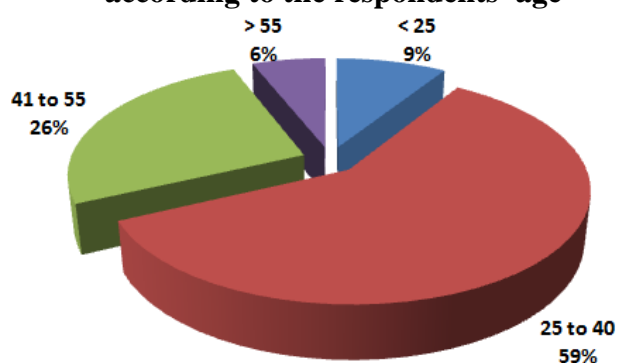
Questions related to the basic information about respondents provide socio-demographic characteristics of the sample units.

Therefore, univariate analysis has been conducted in order to describe the surveyed sample and verify then if the respondents do belong to PRIL ISIS target population.

-Age

We notice that most of the respondents are aged between 25 and 40 years old with 59% of the sample, and from 41 to 55 with 26%, while 17 respondents from 200 are under 25 with 9%, and only 13 respondents from 200 are above 55 years old, which accounts for 6% of the sample. This means that the target audience comprises mostly middle age households.

Figure 7 - The sample distribution according to the respondents' age



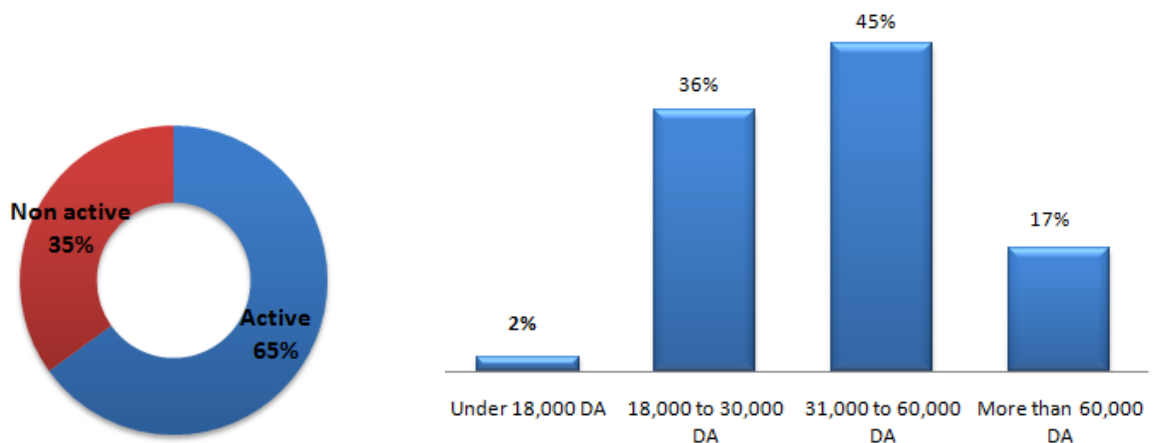
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-Income level

Active women represent the majority of the respondents, with 65% of the total sample against 35% of non active women.

- Regarding active women, the income level is typically between 31.000 and 60.000 DA with 45%, between 15.000 and 30.000 DA with 36% and above 60.000 DA with 17% which leads to say that this study will focus on households that belong to A, B and C Socio Economic Classes. Knowing that A and B classes are households who are affluent, doing very well, and can afford to buy a premium, higher priced product, whereas the C class is the middle class households, with medium income.

Figure 8 - The sample distribution according to the respondents' income level



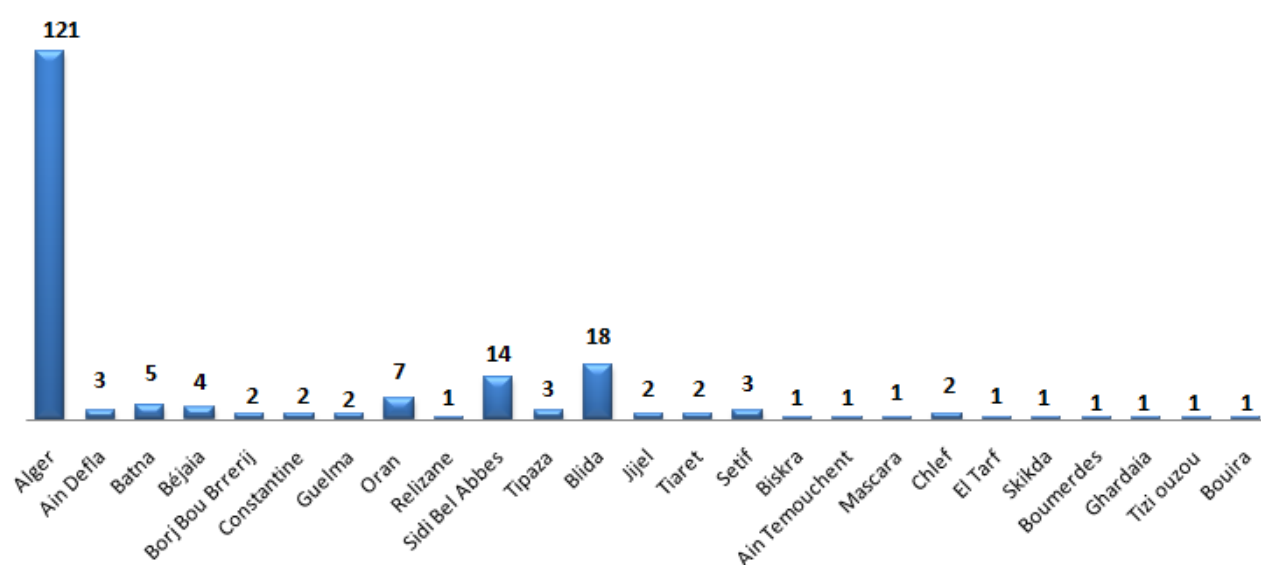
The above results confirm that most of the respondents belong to the PRIL ISIS target population described in the previous section.

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-City of residence

Respondents were from 25 cities among 48 across Algeria, thanks to the hyperlink that we shared on social media. The higher percentage was in Algiers 61% with 121 respondents, followed by 18 from Blida, 14 from Sidi Bel Abbas and 7 from Oran, and the rest 40 from the other cities.

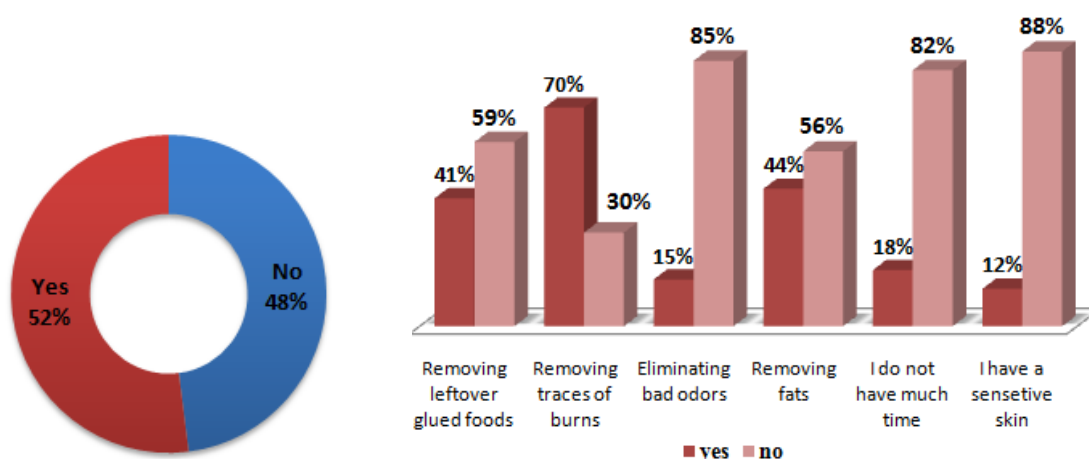
Figure 9 - The sample distribution according to the respondents' city of residence



➤ **Difficulties in the daily dishwashing**

Q1: Do you find any difficulties to wash your daily dishes? & Q2: If your answer is “yes”, what are these difficulties?

Figure 10 - Difficulties in dishwashing



More than half of respondents still have difficulties when doing their daily dishes washing, despite the diversified offer and the extensive ranges of existing dishwashing liquid on the market. We deduce then, that 52% of respondents are not completely satisfied with the dishwashing liquid they are currently using; against 48% who stated that they have no difficulties at all.

Regarding women having difficulties in daily dishes washing, the main challenges are removing traces of burns (70%) followed by removing fats (44%) and removing leftover glued foods (41%). This justifies the decision of Henkel Algeria to launch a more efficient product with a more concentrated formula, and to have chosen to highlight specifically these three difficulties on the TV advertising.

Some respondents have mentioned other difficulties that were not cited by the researcher: not having much time to do the dishes (18%), the dishwashing liquid they are using irritate their hands sensitive skin (12%).

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➤ Brand awareness of dishwashing liquid brands

Q3: Name three brands of dishwashing liquid you know, even if you have never used them:

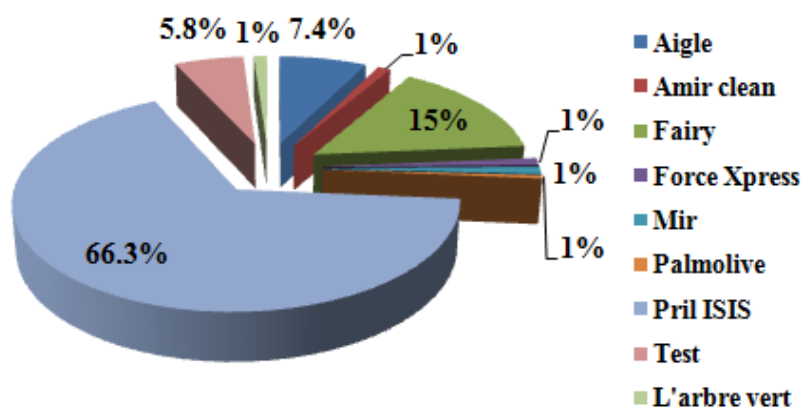
Table 10 - unaided brand awareness of dishwashing liquid brands

| Brands | Aigle | | Amir clean | | Fairy | | Force Xpress | | Mir | | Mr.propre | |
|------------------------|-------|-------|------------|------|-------|-------|--------------|------|------|------|-----------|------|
| Cited first% | 14 | 7,4% | 2 | 1,1% | 30 | 15% | 2 | 1,1% | 2 | 1,1% | 0 | 0% |
| Cited secondly% | 29 | 17.3% | 6 | 3.6% | 46 | 27.4% | 1 | 0.6% | 1 | 0.6% | 2 | 1.2% |
| Cited thirdly% | 47 | 33.8% | 8 | 5.8% | 34 | 24.5% | 0 | 0% | 1 | 0.7% | 0 | 0% |
| Total% | 58.5% | | 10.5% | | 66.9% | | 1.7% | | 1.7% | | 1.2% | |

| Brands | Pril ISIS | | Test | | Palmolive | | Paic | | L'arbre vert | |
|------------------------|-----------|-------|-------|-------|-----------|------|------|------|--------------|------|
| Cited first% | 126 | 66,3% | 11 | 5,8% | 1 | 0.5% | 0 | 0% | 2 | 1.1% |
| Cited secondly% | 35 | 20.8% | 45 | 26.8% | 0 | 0% | 2 | 1.2% | 1 | 0.6% |
| Cited thirdly% | 17 | 12.2% | 31 | 22.3% | 1 | 0.7% | 0 | 0% | 0 | 0% |
| Total% | 99.3% | | 54.9% | | 0.5% | | 1.2% | | 1.7% | |

Source: Developed by the researcher based on the survey data

Figure 11- The top-of-mind dishwashing liquid brand



According to *figure-11* we notice that the most present brand in consumers' minds is PRIL ISIS with a percentage of 66.3%, followed by Fairy, Aigle and Test respectively with a percentage of 15%, 7.4% and 5.8%. This might confirm the leading position that PRIL ISIS has in the Algerian dishwashing liquid market.

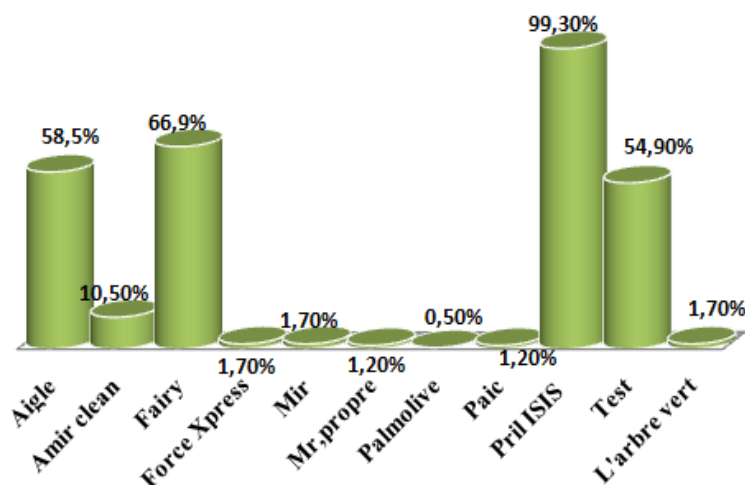
Surprisingly, some of the foreign and imported brands have been mentioned by respondents (Palmolive, L'arbre vert, Mr propre) not exceeding a percentage of 1%.

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Figure 12 - the most cited dishwashing liquid brands

According to *figure-12*, the most spontaneously cited brands are PRIL ISIS, Fairy, Aigle and Test at a rate of 99.30%, 66.9%, 58.5% and 54.90% respectively.

We deduce that these brands have a return on their communication which results in a high rate of brand awareness.

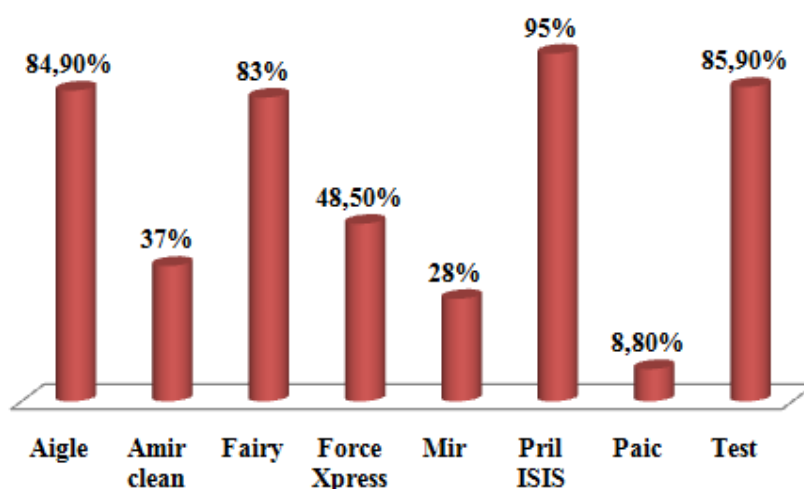


Q4: Which of these brands of dishwashing liquid do you know, even if you have never used them?

Table 11- Brands recognition

| Brand | Brand recognition% |
|--------------|--------------------|
| Aigle | 84.9% |
| Amir clean | 37% |
| Fairy | 83% |
| Force Xpress | 48.5% |
| Mir | 28% |
| PRIL ISIS | 95% |
| Paic | 8.8% |
| Test | 85.9% |

Figure 13 - Aided brand awareness of dishwashing liquid brands



Source: Developed by the researcher based on the survey data

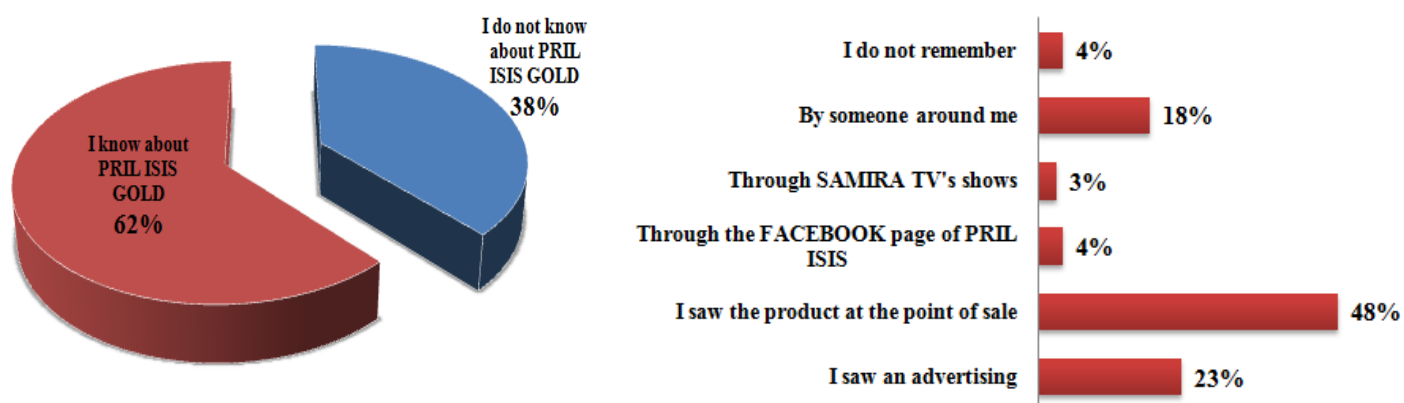
With regard to aided brand awareness, its rate is higher than unaided brand awareness rate, except for PRIL ISIS (from 99.3 to 95%) but still has the higher percentage among the other brands. The hierarchy for aided brand awareness is almost the same. Two groups emerge: PRIL ISIS, Test, Aigle, Fairy, follows another group with a lower rate: Force xpress and Amir clean. As for Mir and Paic, brand awareness remains very low. We deduce that this problem of brand no-recognition has to do with the lack of communication in a very competitive sector.

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➤ PRIL ISIS GOLD awareness

Q6: Do you know "PRIL ISIS GOLD"? & Q7: If your answer is "yes", how did you know about it?

Figure 14 - PRIL ISIS GOLD awareness



124 (62%) respondents among 200 do know about PRIL ISIS GOLD, while 76 (38%) totally ignore about the new product existence.

Regarding respondents who know about the new product, most of them have seen it at the point of sale (48%), some of them have seen a TV advertising (23%) and others have known about it by word of mouth (18%). Only a few of them (7%) have known about it through PRIL ISIS FACEBOOK page or SAMIRA TV's shows.

Consequently, it is deduced that:

-the visibility at the point of sale is what has contributed the most in developing the new-product awareness.

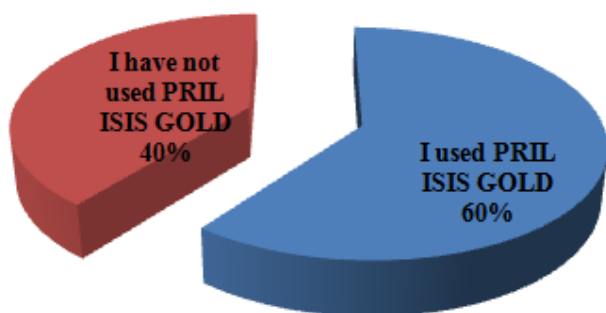
-The marketing support that supported the launch of the new-product has been quiet effective in developing its awareness nearby consumers since 78% of respondents have known about PRIL ISIS GOLD via BTL (Visibility at the point of sale) and ATL activities (TV Advertising, FACEBOOK page and sponsoring of SAMIRA TV shows).

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➤ Consumption of PRIL ISIS GOLD

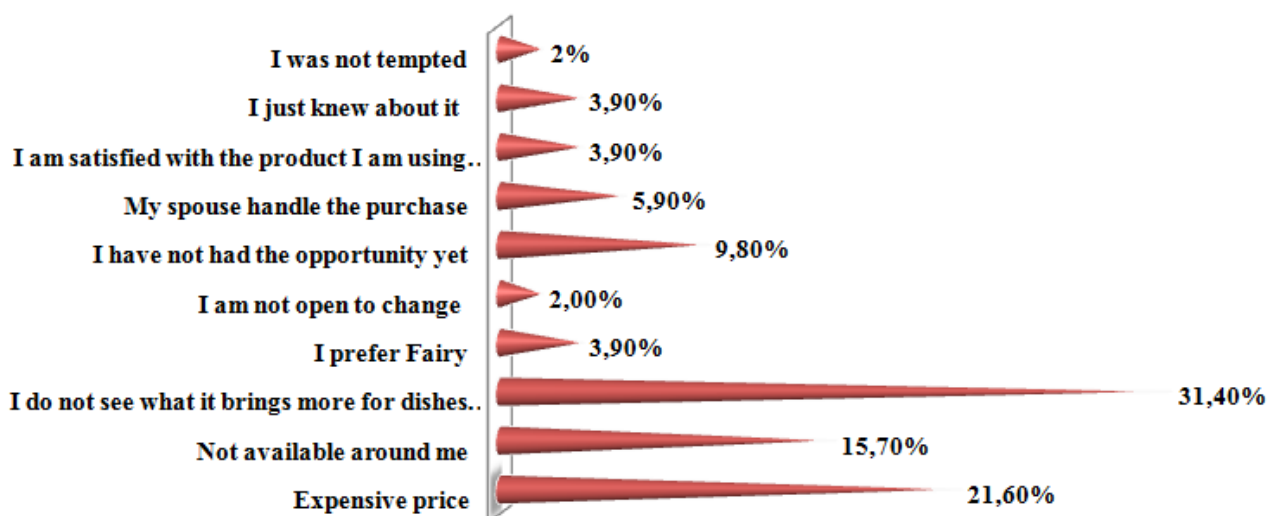
Q8: Have you used it? & Q10: If your answer is “no”, than why?

Figure 15 - PRIL ISIS GOLD rate of use



According to *Figure15*, PRIL ISIS GOLD was used by 60% of the surveyed respondents who know about it, which is a good percentage. The rest of the sample (40%) has not consumed the new-product yet. The reasons behind the no use are figured out below.

Figure 16 - Reasons inhibiting PRIL ISIS GOLD use



Regarding answerers that have not adopt PRIL ISIS GOLD, 31.40% of them do not see what it brings more than the existing products on the market; we understand that these consumers did not understand the concept of the new-product (ultra-concentrated formula, active foam), We presume that they have not seen the advertising or that they just have not been impacted by the communication campaign. 21.60% of respondents find PRIL ISIS GOLD price expensive. 15.70% of them are constrained by the unavailability of the product around them. 13.7% have just known about it or have not had the opportunity to try it. 9.8% are satisfied with the product they are using

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currently and they do not want to try something else. 6% of respondents are indifferent about the dishwashing liquid brand and let their spouses handle the purchase. And about 2% of them were not tempted.

➤ The raisons of changing a dishwashing liquid product

Q5: To what extent do the following statements make you change the dishwashing liquid that you are currently using?

This question aims to identify the reasons that make respondents change a dishwashing liquid product; these reasons are considered to be purchase criteria, with other words, their expectations when buying a dishwashing liquid product. Therefore, an analysis by means is conducted to determine the most important and least important purchase criteria regarding a hand dishwashing liquid product.

| | | Not economical | Does not wash a large amount of dishes | Not concentrated enough | Does not degrease enough | Does not eliminate bad odors | Bad aesthetic appearance of the product | Damages the skin of hands | Bad value for money |
|---|------------|----------------|--|-------------------------|--------------------------|------------------------------|---|---------------------------|---------------------|
| N | Valide | 200 | 200 | 200 | 200 | 200 | 200 | 200 | 200 |
| | Manquante | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| | Moyenne | 3,81 | 3,77 | 4,04 | 3,96 | 3,21 | 3,14 | 3,74 | 3,67 |
| | Ecart-type | 1,259 | 1,172 | 1,186 | 1,202 | 1,441 | 1,456 | 1,317 | 1,229 |

Source: SPSS data analysis

According to the results above, all the criteria are considered to be important because they are all above the average of the LIKERT scale (moderately = 3).

However, we can deduce that the three most important purchase criteria are:

- Concentrated formula.
- Degreasing formula.
- Economic product.

On the other hand, the least important ones are:

- Ability to wash a large amount of dishes.
- Softness on skin of hands.
- Value for money.
- Ability to remove bad odours.

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- Bad design of the product.

➤ PRIL ISIS GOLD: Assessment of perceived quality

Q11: For the following characteristics of "PRIL ISIS GOLD" do you: & Q12: Indicate how satisfied you are with the following features of "PRIL ISIS GOLD".

The above questions aim to evaluate respondents' opinions of PRIL ISIS GOLD and their perceptions about its quality. We have proceeded by analysis by means compared to the LIKERT scale.

Table 12 - Assessment of perceived quality of PRIL ISIS GOLD by consumers

| Criteria | Average | Perception |
|---------------------------------------|---------|--------------|
| Ultra concentrated formula | 3.39 | Neutral |
| Similar quality to imported products | 2.80 | Disagree |
| More practical opening system | 3.85 | Agree |
| More attractive packaging | 4.36 | Agree |
| Sparkling dishes | 3.85 | Satisfied |
| Eliminates the most stubborn residues | 3.37 | Neutral |
| Effective degreasing | 3.77 | Satisfied |
| Very foaming product | 3.00 | Neutral |
| Eliminates bad odours | 4.07 | Satisfied |
| Economic product | 3.16 | Neutral |
| Does not damage the skin of hands | 2.56 | Dissatisfied |
| Cleans effortlessly | 3.15 | Neutral |

Source: Developed by the researcher based on the survey data

From the above table, we deduce that on average, respondents find the packaging more appealing and agree that the bottle opening system is more practical than the regular PRIL ISIS product and than the other dishwashing liquids on the market. Respondents are satisfied about PRIL ISIS GOLD ability in removing bad odours and about the sparkle of the dishes. They also find that the new product degrease effectively.

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However, they do not think that PRIL ISIS GOLD has the same quality as imported products and find that it damages the skin of hands.

Respondents have no opinion regarding the following criteria: Ultra concentrated formula, the foaming formula of the product, removing the most stubborn residues, economic product, cleaning effortlessly.

➤ Measure of gap between expectations and perceptions

The table below combines purchase criteria or expectations when buying a dishwashing liquid product with *Table-12* that shows respondents' perceptions about PRIL ISIS GOLD. This comparative table aims to show the gap between expectations and perceptions to eventually accept or reject hypothesis 2.

Table 13 - A comparative table: Expectations VS Perceptions

| Criteria | Importance of the criteria for consumers (expectations) | Evaluation of PRIL ISIS GOLD criteria by consumers (Perceptions) | Expectations' fulfilment |
|--|---|--|--------------------------|
| Ultra concentrated formula | 4.04 | 3.39 | - |
| Economic product | 3.81 | 3.16 | - |
| Very foaming product/ wash a large amount of dishes | 3.77 | 3.00 | - |
| Does not damage the skin of hands | 3.74 | 2.56 | - |
| Eliminates bad odours | 3.21 | 4.07 | + |
| Effective degreasing | 3.96 | 3.77 | - |
| Attractive packaging/ Aesthetic appearance of the product | 3.14 | 4.36 | + |

Source: Developed by the researcher based on the survey data

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The criterion "Does not damage the skin of hands" is important for the purchase of the product but its perception concerning PRIL ISIS GOLD is negative. We deduce that this expectation is totally unfulfilled.

The gap is not wide between the criteria that are considered important for the purchase of a dishwashing liquid (ultra concentrated formula, effective degreasing, economic product, foaming product) and their perceptions regarding PRIL ISIS GOLD. However, expectations are still higher than perceptions; we deduce then that the product does not fully meet the expectations of the respondents.

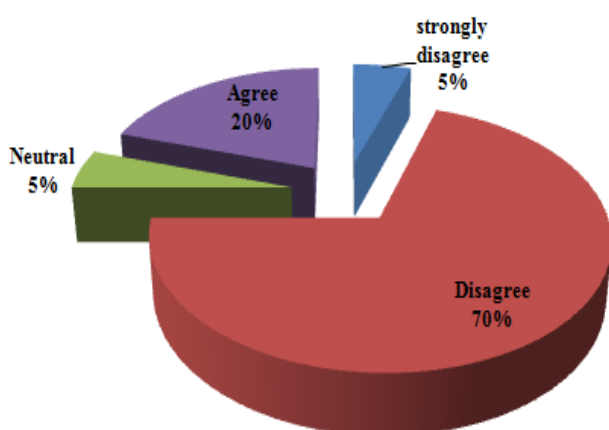
The design of the product and the ability of removing bad odours are not primary criteria when buying a dishwashing liquid product, so they are eliminated even if they are perceived positively.

The results above lead to *reject the second hypothesis* that says: **PRIL ISIS GOLD meets consumers' expectations.**

➤ Respondents' reactions to PRIL ISIS GOLD's price

Q15: *Would you buy « PRIL ISIS GOLD » at the price of 175 DA?*

Figure 17 - PRIL ISIS GOLD's price acceptability



More than 70% of respondents do not agree to buy PRIL ISIS GOLD at the required price and only 20% of them accept to pay 175 DA to have this new product. We deduce that the price may be perceived expensive by consumers and they could not afford to pay such a high price for it. Or, the product's quality does not support the high price.

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➤ Respondents' reactions to PRIL ISIS GOLD's promotion

Q13: You can link « PRIL ISIS GOLD » to?

The above question aims to show how the new-product is positioned in consumers' mind and allows measuring the gap between perceived positioning and intended positioning by the communication.

Table 14 - Associative perceptions Frequencies

| Associations | European quality | Leader brand | Local product | Developed by professionals | Premium product |
|--------------|------------------|--------------|---------------|----------------------------|-----------------|
| Percent (%) | 14.5 | 14 | 15 | 10 | 24 |

| Associations | Value for money | Innovation | Imitation | Imported product |
|--------------|-----------------|------------|-----------|------------------|
| Percent (%) | 2 | 7 | 7 | 6.5 |

Source: Developed by the researcher based on the survey data

According to the results of the table, consumers associate the new-product PRIL ISIS GOLD mainly with the following statements: Premium product, European quality, local product, leader brand. This means that Henkel Algeria has managed to transmit the desired image for the new-product through communication.

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Q16: To what extent do you agree with the following statements about « PRIL ISIS GOLD »?

Table 15 - Consumers' opinions on marketing support

| Scale | Percent (%) | | | | | |
|--------------------------|---|--|--|--|---|--|
| | Item1 | Item2 | Item3 | Item4 | Item5 | Item6 |
| | According to television advertising, I feel that it is an imported product. | As advertised, I found that PRIL ISIS GOLD is of German quality. | Through advertising, I know that this product is developed by foreign specialists. | The sponsorship of various television programs gives me the impression that this product is premium. | Thanks to the FACEBOOK page of PRIL ISIS, I learned the features of PRIL ISIS GOLD. | The visibility at the point of sale motivates me to test this product. |
| Strongly disagree | 6.5 | 2.6 | 5.2 | 1.3 | 17.1 | 0.0 |
| Disagree | 15.6 | 14.5 | 13.0 | 9.2 | 11.8 | 10.5 |
| Neutral | 29.9 | 31.6 | 33.8 | 31.6 | 40.8 | 22.4 |
| Agree | 33.8 | 39.5 | 35.1 | 44.7 | 22.4 | 46.1 |
| Strongly agree | 14.3 | 11.8 | 13.0 | 13.2 | 7.9 | 21 |
| Total | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 | 100.0 |

Source: Developed by the researcher based on the survey data

According to results, respondents agree with items 1, 2, 3 and 4 related to the new-product perceptions, with a percentage of 33.8 to 44.7 %. This means that their perceptions about PRIL ISIS GOLD are influenced by the communication practices done by the company, through television advertising and sponsorships.

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Respondents agree that the merchandising motivates them to buy the product which confirms the previous results.

However, respondents are without opinion regarding the FACEBOOK page of PRIL ISIS.

2.4 Bivariate analysis and findings

➤ Means influencing the act of purchase and trial

Q7: If your answer is “yes”, how did you know about it? & Q8: Have you used PRIL ISIS GOLD?

| | | If your answer is “yes”, how did you know about it? | | | | | | Total |
|-------------------|-----|---|--|--|----------------------|-------------------|---------------------------|-------|
| | | I saw an advertisement | I saw the product at the point of sale | Through the FACEBOOK page of Pril ISIS | By someone around me | I do not remember | Through SAMIRA TV's shows | |
| Have you used it? | No | 15 | 23 | 3 | 5 | 2 | 1 | 49 |
| | Yes | 13 | 37 | 2 | 17 | 3 | 3 | 75 |
| Total | | 28 | 60 | 5 | 22 | 5 | 4 | 124 |

Source: SPSS data analysis

The above table shows that 49.33% of respondents that have used the new-product have known about it at the point of sale, 22.66% of users said that the new-product was recommended to them, 17.33% of users have known about it via advertising and only 6.66% of users have seen the product for the first time on the FACEBOOK page of the brand or through SAMIRA TV shows.

From this analysis, we deduce that merchandising was the most effective tool in influencing consumers and leading them to the act of purchase.

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-Test of the statistical significance of the association between the use of the product and the means by which the product was known

The chi-square test: The results of the chi-square test are demonstrated by the following table:

Table 16 - Chi-square test of dependence between the means by which PRIL ISIS GOLD was introduced to consumers and the act of purchase

| | Valeur | ddl | Signification asymptotique (bilatérale) |
|-----------------------------------|--------------------|-----|---|
| Khi-deux de Pearson | 6,175 ^a | 5 | ,290 |
| Rapport de vraisemblance | 6,313 | 5 | ,277 |
| Association linéaire par linéaire | 3,139 | 1 | ,076 |
| Nombre d'observations valides | 124 | | |

Source: SPSS data analysis

If we assume that:

H0: The act of purchase of the new-product is independent on the means by which it was known and H1: The act of purchase of the new-product is dependent on the means by which it was known.

We notice that the P of the chi-square of Pearson is higher than 0.05, for this reason we accept H0 and reject H1. There is then no dependency relationship between the act of purchase of PRIL ISIS GOLD and the means by which it was introduced to consumers.

➤ Impact of communication through advertising on positioning of the new-product

Q13: You can link « PRIL ISIS GOLD » to? & Q16: to what extent do you agree with the following statements about « PRIL ISIS GOLD »?

The cross tabs below allow the researcher to find out about the most effective channel in delivering the intended positioning for the new-product PRIL ISIS GOLD. The student tests are used to test the significance of the association between the perceived positioning, achieved via

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communication (metric variable) and the intended positioning for the new-product (nominal variable).

Cross tabulation According to television advertising, I feel that it is an imported product * I link PRIL ISIS GOLD to “Imported product”

Statistiques de groupe

| | | N | Moyenne | Ecart-type | Erreur standard moyenne |
|---|---------------------|----|---------|------------|-------------------------|
| According to television advertising, I feel that it is an imported product. | Imported product No | 68 | 3,25 | 1,070 | ,130 |
| | Yes | 8 | 3,63 | 1,408 | ,498 |

Source: SPSS data analysis

According to the above table, most respondents that agreed that television advertising makes them feel that PRIL ISIS GOLD is an imported product, do not link the same product with “imported product”. This is explained by the fact that the TV advertising is of high quality, however respondents are aware that PRIL ISIS is a local known brand.

-Test of the statistical significance of the association

The student test: The results of the student test are demonstrated by the following table:

Test d'échantillons indépendants

| | | Test de Levene sur l'égalité des variances | | Test-t pour égalité des moyennes | | | | | | |
|---|---------------------------------|--|------|----------------------------------|-------|-------------------|--------------------|-----------------------|--|------------|
| | | F | Sig. | t | ddl | Sig. (bilatérale) | Différence moyenne | Différence écart-type | Intervalle de confiance 95% de la différence | |
| | | | | | | | | | Inférieure | Supérieure |
| According to television advertising, I feel that it is an imported product. | Hypothèse de variances égales | 2,421 | ,124 | -.907 | 74 | ,368 | -.375 | ,414 | -1,199 | ,449 |
| | Hypothèse de variances inégales | | | -.729 | 7,980 | ,487 | -.375 | ,514 | -1,562 | ,812 |

Source: SPSS data analysis

If we assume that:

H0: Equality of means and H1: Inequality on means

We notice that the P of the student test is higher than 0.05. Therefore, we accept H0 and reject H1.

There is no association between the nominal variable and the metric one.

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Cross tabulation as advertised, I found that PRIL ISIS GOLD is of German quality * I link PRIL ISIS GOLD to “European quality”

Statistiques de groupe

| European quality | | N | Moyenne | Ecart-type | Erreur standard moyenne |
|--|-----|----|---------|------------|-------------------------|
| As advertised, I found that Pril ISIS Gold is of German quality. | No | 29 | 3,41 | ,867 | ,161 |
| | Yes | 46 | 4,20 | ,453 | ,067 |

Source: SPSS data analysis

The results above show that TV advertising positions the product of foreign quality in consumers' mind.

-Test of the statistical significance of the association

The student test: The results of the student test are demonstrated by the following table:

| | | Test de Levene sur l'égalité des variances | | Test-t pour égalité des moyennes | | | | | | |
|--|---------------------------------|--|------|----------------------------------|--------|-------------------|--------------------|-----------------------|--|------------|
| | | F | Sig. | t | ddl | Sig. (bilatérale) | Différence moyenne | Différence écart-type | Intervalle de confiance 95% de la différence | |
| | | | | | | | | | Inférieure | Supérieure |
| As advertised, I found that Pril ISIS Gold is of German quality. | Hypothèse de variances égales | 17,779 | ,000 | -5,120 | 73 | ,000 | -,782 | ,153 | -1,086 | -,478 |
| | Hypothèse de variances inégales | | | -4,487 | 37,782 | ,000 | -,782 | ,174 | -1,135 | -,429 |

Source: SPSS data analysis

If we assume that:

H0: Equality of means and H1: Inequality on means

We notice that the P of the student test is lower than 0.05. Therefore, we accept H1 and reject H0.

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Cross tabulation through advertising, I know that this product is developed by foreign specialists * I associate PRIL ISIS GOLD with “Developed by professionals”

Statistiques de groupe

| | Developed by professionals | N | Moyenne | Ecart-type | Erreur standard moyenne |
|--|----------------------------|----|---------|------------|-------------------------|
| Through advertising, I know that this product is developed by foreign specialists. | No | 54 | 3,30 | 1,143 | ,156 |
| | Yes | 22 | 3,50 | ,740 | ,158 |

Source: SPSS data analysis

According to results above, respondents do not position PRIL ISIS GOLD as a product developed by professionals.

-Test of the statistical significance of the association

The student test: The results of the student test are demonstrated by the following table:

Test d'échantillons indépendants

| | | Test de Levene sur l'égalité des variances | | Test-t pour égalité des moyennes | | | | | | |
|--|---------------------------------|--|------|----------------------------------|--------|-------------------|--------------------|-----------------------|--|------------|
| | | F | Sig. | t | ddl | Sig. (bilatérale) | Différence moyenne | Différence écart-type | Intervalle de confiance 95% de la différence | |
| | | | | | | | | | Inférieure | Supérieure |
| Through advertising, I know that this product is developed by foreign specialists. | Hypothèse de variances égales | 4,087 | ,047 | -.771 | 74 | ,443 | -.204 | ,264 | -.730 | ,323 |
| | Hypothèse de variances inégales | | | -.919 | 59,426 | ,362 | -.204 | ,222 | -.647 | ,240 |

Source: SPSS data analysis

If we assume that:

H0: Equality of means and H1: Inequality on means

We notice that the P of the student test is higher than 0.05. Therefore, we accept H0 and reject H1.

There is no association between the nominal variable and the metric one.

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Cross tabulation the sponsorship of various programs gives me the impression that the product is premium * I link PRIL ISIS GOLD with “Premium product”

Statistiques de groupe

| | Premium product | N | Moyenne | Ecart-type | Erreur standard moyenne |
|---|-----------------|----|---------|------------|-------------------------|
| The sponsorship of various television programs gives me the impression that this product is premium | No | 20 | 3,70 | ,733 | ,164 |
| | Yes | 55 | 4,05 | ,448 | ,060 |

Source: SPSS data analysis

According to the above table, the sponsorship of television programs does not only give impression that PRIL ISIS GOLD is a premium product but positions it that way in consumers' mind.

-Test of the statistical significance of the association

The student test: The results of the student test are demonstrated by the following table:

Test d'échantillons indépendants

| | | Test de Levene sur l'égalité des variances | | Test-t pour égalité des moyennes | | | | | | |
|---|---------------------------------|--|------|----------------------------------|--------|-------------------|--------------------|-----------------------|--|------------|
| | | F | Sig. | t | ddl | Sig. (bilatérale) | Différence moyenne | Différence écart-type | Intervalle de confiance 95% de la différence | |
| | | | | | | | | | Inférieure | Supérieure |
| The sponsorship of various television programs gives me the impression that this product is premium | Hypothèse de variances égales | 16,372 | ,000 | -2,529 | 73 | ,014 | -,355 | ,140 | -,634 | -,075 |
| | Hypothèse de variances inégales | | | -2,030 | 24,358 | ,023 | -,355 | ,175 | -,715 | ,006 |

Source: SPSS data analysis

If we assume that:

H0: Equality of means and H1: Inequality on means

We notice that the P of the student test is lower than 0.05. Therefore, we accept H1 and reject H0.

Mainly, results obtained above show that the marketing support mostly TV advertising has been effective in delivering the “high quality” image of the product and had a positive impact on the new-product positioning, which leads to *confirm the fourth hypothesis* that says: **Placement in premium media vehicles is what drives the premium positioning of a product.**

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➤ Relationship between product efficiency and price acceptability

Q9: *If your answer is « yes », is "PRIL ISIS GOLD" more effective than your usual dishwashing liquid?* & **Q15:** *Would you buy "PRIL ISIS GOLD" at the price of 175 DA*

Pearson's correlation is used to determine whether a linear relationship exists between the two metric variables: product efficiency and price acceptability and to see the strength of this relationship.

Table 17 - Correlation between product efficiency and price acceptability

| | | If your answer is « yes », is "Pril ISIS Gold" more effective than your usual dishwashing liquid? | Would you buy « Pril ISIS GOLD » for the price of 175 DA? |
|---|--|---|---|
| If your answer is « yes », is "Pril ISIS Gold" more effective than your usual dishwashing liquid? | Corrélation de Pearson Sig. (bilatérale) N | 1 78 | ,835 77 |
| Would you buy « Pril ISIS GOLD » for the price of 175 DA? | Corrélation de Pearson Sig. (bilatérale) N | 0,835 77 | 1 81 |

Source: SPSS data analysis

$r = +0,835$ (83, 5%), which is a close value to 1, indicating that price acceptability is strongly associated to product efficiency.

There is a positive relationship between price acceptability and product efficiency. We conclude that the more consumers find the new-product PRIL ISIS GOLD efficient, the more they will accept to pay the required price of 175 DA.

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2.5 Multivariate analysis and findings

➤ Impact of perceived quality on price perception

- **Q11:** For the following characteristics of "PRIL ISIS GOLD" do you: & **Q15:** What do you think about "PRIL ISIS GOLD's" price?

Multivariate analysis is performed through Factorial analysis. Factorial analysis is performed to reduce the following items: Ultra concentrated formula, similar quality to imported products, more practical opening system and more attractive packaging, and then to extract factors. In addition, regression analysis is conducted to confirm or reject the third hypothesis.

- **Factor analysis**

- ❖ *Testing the appropriateness of Factor Analysis:*

Correlation matrix

| | | Ultra concentrated formula | Similar quality to imported products | More practical opening system | More attractive packaging |
|--------------------------------------|------------------------|----------------------------|--------------------------------------|-------------------------------|---------------------------|
| Ultra concentrated formula | Corrélation de Pearson | 1 | ,733** | ,470** | ,204 |
| | Sig. (bilatérale) | | ,000 | ,000 | ,082 |
| | N | 74 | 74 | 74 | 74 |
| Similar quality to imported products | Corrélation de Pearson | ,733** | 1 | ,277* | -,055 |
| | Sig. (bilatérale) | ,000 | | ,016 | ,638 |
| | N | 74 | 75 | 75 | 75 |
| More practical opening system | Corrélation de Pearson | ,470** | ,277* | 1 | ,473** |
| | Sig. (bilatérale) | ,000 | ,016 | | ,000 |
| | N | 74 | 75 | 75 | 75 |
| More attractive packaging | Corrélation de Pearson | ,204 | -,055 | ,473** | 1 |
| | Sig. (bilatérale) | ,082 | ,638 | ,000 | |
| | N | 74 | 75 | 75 | 75 |

** . La corrélation est significative au niveau 0.01 (bilatéral).

* . La corrélation est significative au niveau 0.05 (bilatéral).

Source: SPSS data analysis

There are relatively high correlation among ultra concentrated formula and similar quality to imported products. Moreover, there are relatively correlation among more attractive packaging and more practical opening system. These variables might be grouped in two factors, each with two variables.

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KMO and Bartlett's Test

| | | |
|---|---------------------------|--------|
| Mesure de précision de l'échantillonnage de Kaiser-Meyer-Olkin. | | ,554 |
| Test de sphéricité de Bartlett | Khi-deux approximé | 96,446 |
| | ddl | 6 |
| | Signification de Bartlett | ,000 |

Source: SPSS data analysis

The null hypothesis that says: The variables are uncorrelated in the population is rejected by Bartlett's test of sphericity. The approximate chi-square statistic is 96,446 with 6 degrees of freedom, which is significant at the level of 0.05.

The value of the KMO statistic 0,554 is larger than 0, 5. Therefore, Factor Analysis may be considered an appropriate technique for analyzing the correlation matrix.

❖ *Determination of the method of Factor Analysis:*

| | Initial | Extraction |
|--------------------------------------|---------|------------|
| Ultra concentrated formula | 1,000 | ,861 |
| Similar quality to imported products | 1,000 | ,889 |
| More practical opening system | 1,000 | ,736 |
| More attractive packaging | 1,000 | ,842 |

Source: SPSS data analysis

According to the above table, more than 70% of variance in all variables is explained by the factors.

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❖ Determination of the number of factors

| Composante | Variance totale expliquée | | | | | | | | |
|------------|---------------------------|------------------|-----------|---|------------------|-----------|--|------------------|-----------|
| | Valeurs propres initiales | | | Extraction Sommes des carrés des facteurs retenus | | | Somme des carrés des facteurs retenus pour la rotation | | |
| | Total | % de la variance | % cumulés | Total | % de la variance | % cumulés | Total | % de la variance | % cumulés |
| 1 | 2,124 | 53,094 | 53,094 | 2,124 | 53,094 | 53,094 | 1,839 | 45,963 | 45,963 |
| 2 | 1,205 | 30,132 | 83,226 | 1,205 | 30,132 | 83,226 | 1,490 | 37,262 | 83,226 |
| 3 | ,447 | 11,175 | 94,401 | | | | | | |
| 4 | ,224 | 5,599 | 100,000 | | | | | | |

Méthode d'extraction : Analyse en composantes principales.

Source: SPSS data analysis

Factor 1 accounts for a variance of 2.124 or 53.094% of the total variance. On the other hand, Factor 2 accounts for 1.205 or 30.132% of the total variance and the first two factors combined account for 83.226% of the total variance.

Only two factors have an Eigen value superior than 1, therefore, two factors are retained.

❖ Rotation of factors

Table 18- component matrix after rotation for the first factorial analysis

| | Composante | |
|--------------------------------------|------------|-------|
| | 1 | 2 |
| Ultra concentrated formula | ,887 | ,272 |
| Similar quality to imported products | ,942 | -,046 |
| More practical opening system | ,396 | ,761 |
| More attractive packaging | -,082 | ,914 |

Source: SPSS data analysis

According to the Rotated component matrix above, variables strongly correlated to *factor 1* are: Ultra concentrated formula and similar quality to imported products. This factor is labelled *product efficiency factor*.

On the other hand, variables strongly correlated to *factor 2* are: More practical opening system and more attractive packaging. This factor is labelled *product attractiveness factor*.

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- **Multiple regression analysis**

- ❖ *Test for significance*

Coefficients^a

| Modèle | Coefficients non standardisés | | Coefficients standardisés | t | Sig. |
|---------------|-------------------------------|-----------------|---------------------------|--------|------|
| | A | Erreur standard | Bêta | | |
| 1 (Constante) | 2,815 | ,093 | | 30,430 | ,000 |
| efficiency | ,834 | ,091 | ,748 | 9,195 | ,000 |
| atractiveness | ,081 | ,091 | ,073 | ,897 | ,373 |

a. Variable dépendante : What do you think about PRIL ISIS GOLD's price ?

Coefficients^a

| Modèle | Coefficients non standardisés | | Coefficients standardisés | t | Sig. |
|---------------|-------------------------------|-----------------|---------------------------|--------|------|
| | A | Erreur standard | Bêta | | |
| 1 (Constante) | 2,812 | ,092 | | 30,461 | ,000 |
| efficiency | ,833 | ,091 | ,747 | 9,199 | ,000 |

a. Variable dépendante : What do you think about PRIL ISIS GOLD's price ?

Source: SPSS data analysis

The null hypothesis is that there is no relationship between the dependent variable and the independent variable; it means that the independent variable does not predict the dependent variable. The alternative hypothesis is that it is possible to predict the dependent variable from the independent variable.

According to results:

-There is a significant linear relationship between efficiency of the product and price perception because the calculated value of t is larger than the critical value ($9.195 > 2.228$). H_0 is then rejected. However, the relationship is not significant between attractiveness of the product and price perception. Consequently, Multi regression is turned to simple regression analysis.

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- Price perception = 2,212+ 0, 833 Perceived efficiency of the product, 0.833 is the change in price perception (Y) when perceived efficiency (X) changes by one unit.

-The positive sign of the slope coefficient indicates that this relationship is positive: *Those who have more perceived efficiency of the product have more positive price perceptions.*

❖ *Determination of the strength and the significance of the association:*

Récapitulatif des modèles

| Modèle | R | R-deux | R-deux ajusté | Erreur standard de l'estimation |
|--------|-------------------|--------|---------------|---------------------------------|
| 1 | ,747 ^a | ,558 | ,552 | ,767 |

a. Valeurs prédites : (constantes), efficiency

Source: SPSS data analysis

The strength of the association is measured by the coefficient of determination R^2 . The variation in price perception (Y) is accounted by **55, 8%** of variation in perceived efficiency of the product (X).

ANOVA^a

| Modèle | | Somme des carrés | ddl | Moyenne des carrés | F | Sig. |
|--------|------------|------------------|-----|--------------------|--------|-------------------|
| 1 | Régression | 49,761 | 1 | 49,761 | 84,623 | ,000 ^b |
| | Résidu | 39,398 | 67 | ,588 | | |
| | Total | 89,159 | 68 | | | |

a. Variable dépendante : What do you think about PRIL ISIS GOLD's price?

b. Valeurs prédites : (constante), efficiency

Source: SPSS data analysis

The calculated F statistic is larger than the critical value ($\text{sig} < 0.05$), therefore, the relationship is significant, confirming the results of the t test.

The analysis above has shown a positive impact of product efficiency on price perception, which leads to *confirm the second hypothesis* that says: *Perceived quality impacts perception of price.*

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➤ Impact of satisfaction on loyalty

- *Q12: Indicate how satisfied you are with the following features of "PRIL ISIS GOLD" & Q16: To what extent do you agree with the following statements about "PRIL ISIS GOLD": I intend to buy PRIL ISIS GOLD another time. I recommend PRIL ISIS GOLD to those around me.*

Multivariate analysis is performed through Factorial Analysis. Factorial Analysis is performed to reduce the following items: “Sparkling dishes, eliminates the most stubborn residues, effective degreasing, very foaming product, eliminates bad odours, economic product, does not damage the skin of hands, cleans effortlessly” and to extract factors.

Moreover, a second Factorial Analysis is conducted to reduce the items: “I intend to buy PRIL ISIS GOLD another time. I recommend PRIL ISIS GOLD to those around me” into one factor.

Finally, Regression Analysis is conducted to see the impact of satisfaction on loyalty.

- **Factor analysis**
- ❖ *Testing the appropriateness of Factor Analysis*

Correlation matrix:

Matrice de corrélation

| | | Sparkling dishes | Eliminates the most stubborn residues (such as burns traces) | Effective degreasing | Very foaming product | Eliminates bad odors | Economic product | Does not damage the skin of hands | Cleans effortlessly |
|-------------|--|------------------|--|----------------------|----------------------|----------------------|------------------|-----------------------------------|---------------------|
| Corrélation | Sparkling dishes | 1,000 | ,536 | ,674 | ,529 | ,607 | ,541 | ,330 | ,390 |
| | Eliminates the most stubborn residues (such as burns traces) | ,536 | 1,000 | ,444 | ,254 | ,378 | ,373 | ,381 | ,492 |
| | Effective degreasing | ,674 | ,444 | 1,000 | ,461 | ,536 | ,477 | ,178 | ,343 |
| | Very foaming product | ,529 | ,254 | ,461 | 1,000 | ,460 | ,710 | ,364 | ,075 |
| | Eliminates bad odors | ,607 | ,378 | ,536 | ,460 | 1,000 | ,600 | ,358 | ,385 |
| | Economic product | ,541 | ,373 | ,477 | ,710 | ,600 | 1,000 | ,597 | ,353 |
| | Does not damage the skin of hands | ,330 | ,381 | ,178 | ,364 | ,358 | ,597 | 1,000 | ,254 |
| | Cleans effortlessly | ,390 | ,492 | ,343 | ,075 | ,385 | ,353 | ,254 | 1,000 |

Source: SPSS data analysis

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There is relatively high correlation among: Sparkling dishes, effective degreasing, eliminates bad odours.

Moreover, there is relatively correlation among: eliminates the most stubborn residues and cleans effortlessly.

Finally, there is relatively high correlation among: very foaming product, economic product, does not damage the skin of hands.

KMO and Bartlett's Test:

| | | |
|---|---------------------------|---------|
| Mesure de précision de l'échantillonnage de Kaiser-Meyer-Olkin. | | ,803 |
| Test de sphéricité de Bartlett | Khi-deux approximé | 269,667 |
| | ddl | 28 |
| | Signification de Bartlett | ,000 |

Source: SPSS data analysis

The null hypothesis that says: The variables are uncorrelated in the population is rejected by Bartlett's test of sphericity. The approximate chi-square statistic is 269,667 with 28 degrees of freedom, which is significant at 0.05 level.

The value of the KMO statistic 0,803 is larger than 0, 5. Therefore, Factor Analysis may be considered an appropriate technique for analyzing the correlation matrix.

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❖ Determination of the method of Factor Analysis

Qualité de représentation

| | Initial | Extraction |
|--|---------|------------|
| Sparkling dishes | 1,000 | ,689 |
| Eliminates the most stubborn residues (such as burns traces) | 1,000 | ,651 |
| Effective degreasing | 1,000 | ,558 |
| Very foaming product | 1,000 | ,796 |
| Eliminates bad odors | 1,000 | ,600 |
| Economic product | 1,000 | ,799 |
| Does not damage the skin of hands | 1,000 | ,396 |
| Cleans effortlessly | 1,000 | ,711 |

Méthode d'extraction : Analyse en composantes principales.

Source: SPSS data analysis

According to the above table, more than 30% of variance in all variables is explained by the factors.

❖ Determination of the number of factors

Variance totale expliquée

| Composante | Valeurs propres initiales | | | Extraction Sommes des carrés des facteurs retenus | | | Somme des carrés des facteurs retenus pour la rotation | | |
|------------|---------------------------|------------------|-----------|---|------------------|-----------|--|------------------|-----------|
| | Total | % de la variance | % cumulés | Total | % de la variance | % cumulés | Total | % de la variance | % cumulés |
| 1 | 4,083 | 51,036 | 51,036 | 4,083 | 51,036 | 51,036 | 2,924 | 36,551 | 36,551 |
| 2 | 1,117 | 13,961 | 64,996 | 1,117 | 13,961 | 64,996 | 2,276 | 28,445 | 64,996 |
| 3 | ,930 | 11,622 | 76,618 | | | | | | |
| 4 | ,578 | 7,230 | 83,849 | | | | | | |
| 5 | ,446 | 5,580 | 89,428 | | | | | | |
| 6 | ,362 | 4,522 | 93,950 | | | | | | |
| 7 | ,301 | 3,761 | 97,711 | | | | | | |
| 8 | ,183 | 2,289 | 100,000 | | | | | | |

Méthode d'extraction : Analyse en composantes principales.

Source: SPSS data analysis

Factor 1 accounts for a variance of 4,083 or 51.036% of the total variance. On the other hand, Factor 2 accounts for 1.117 or 13,961% of the total variance and the first two factors combined account for 64,996% of the total variance.

Only two factors have an Eigen value superior than 1, therefore, two factors are retained.

❖ *Rotation of factors***Table 19-** component matrix after rotation for the second factorial analysis

Matrice des composantes après rotation^a

| | Composante | |
|--|------------|-------|
| | 1 | 2 |
| Sparkling dishes | ,826 | ,088 |
| Eliminates the most stubborn residues (such as burns traces) | ,663 | ,460 |
| Effective degreasing | ,738 | ,116 |
| Very foaming product | ,695 | -,559 |
| Eliminates bad odors | ,774 | -,022 |
| Economic product | ,827 | -,338 |
| Does not damage the skin of hands | ,590 | -,219 |
| Cleans effortlessly | ,549 | ,640 |

Méthode d'extraction : Analyse en composantes principales.

Source: SPSS data analysis

According to the Rotated component matrix above, variables strongly correlated to *factor 1* are: Sparkling dishes, effective degreasing, eliminates bad odours, very foaming product, economic product, does not damage the skin of hands and eliminates the most stubborn residues. This factor is labelled *satisfaction with efficiency*.

On the other hand, variable strongly correlated to *factor 2* is: Cleans effortlessly. This factor is labelled *satisfaction with effectiveness*.

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- **Factor analysis**

- ❖ *Testing the appropriateness of Factor Analysis*

Correlation matrix:

Matrice de corrélation

| | I intend to buy Pril ISIS Gold another time. | I recommend Pril ISIS Gold to those around me. |
|--|--|--|
| Corrélation I intend to buy Pril ISIS Gold another time. | 1,000 | ,822 |
| I recommend Pril ISIS Gold to those around me. | ,822 | 1,000 |

Source: SPSS data analysis

There is relatively high correlation between the two items. These variables might be grouped in one factor.

KMO and Bartlett's Test:

Indice KMO et test de Bartlett

| | | |
|---|---------------------------|--------|
| Mesure de précision de l'échantillonnage de Kaiser-Meyer-Olkin. | | ,550 |
| Test de sphéricité de Bartlett | Khi-deux approximé | 78,140 |
| | ddl | 1 |
| | Signification de Bartlett | ,000 |

Source: SPSS data analysis

The null hypothesis that says: The variables are uncorrelated in the population is rejected by Bartlett's test of sphericity. The approximate chi-square statistic is 78,140 with 1 degree of freedom, which is significant at the level of 0.05.

The value of the KMO statistic 0,550 is larger than 0,5. Therefore, Factor Analysis may be considered an appropriate technique for analyzing the correlation matrix.

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❖ Determination of the method of Factor Analysis

Qualité de représentation

| | Initial | Extraction |
|--|---------|------------|
| I intend to buy Pril ISIS Gold another time. | 1,000 | ,911 |
| I recommend Pril ISIS Gold to those around me. | 1,000 | ,911 |

Méthode d'extraction : Analyse en composantes principales.

Source: SPSS data analysis

According to the above table, more than 90% of variance in all variables is explained by both factors.

❖ Determination of the number of factors

Variance totale expliquée

| Composante | Valeurs propres initiales | | | Extraction Sommes des carrés des facteurs retenus | | |
|------------|---------------------------|------------------|-----------|---|------------------|-----------|
| | Total | % de la variance | % cumulés | Total | % de la variance | % cumulés |
| 1 | 1,822 | 91,083 | 91,083 | 1,822 | 91,083 | 91,083 |
| 2 | ,178 | 8,917 | 100,000 | | | |

Méthode d'extraction : Analyse en composantes principales.

Source: SPSS data analysis

Factor 1 accounts for a variance of 1,822 or 91,083% of the total variance. Only one factor has an Eigen value superior than 1, therefore, one factor is retained.

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❖ *Rotation of factors*

Table 20- component matrix after rotation for the third factorial analysis

| | Composante |
|--|------------|
| | 1 |
| I intend to buy Pril ISIS Gold another time. | ,524 |
| I recommend Pril ISIS Gold to those around me. | ,524 |

Source: SPSS data analysis

According to the Rotated component matrix above, both variables are correlated to *factor 1*. This factor is labelled *loyalty*.

• **Multiple regression analysis**

❖ *Test for significance*

Coefficients^a

| Modèle | Coefficients non standardisés | | Coefficients standardisés | t | Sig. |
|---------------------------------|-------------------------------|-----------------|---------------------------|-------|------|
| | A | Erreur standard | Bêta | | |
| 1 (Constante) | ,007 | ,091 | | ,079 | ,938 |
| Satisfaction with effectiveness | ,636 | ,090 | ,640 | 7,053 | ,000 |
| Satisfaction with efficiency | ,192 | ,090 | ,194 | 2,134 | ,009 |

a. Variable dépendante : Loyalty

Source: SPSS data analysis

The null hypothesis is that there is no relationship between the dependent variable and the independent variable, so that the independent variable does not predict the dependent variable. The alternative hypothesis is that it is possible to predict the dependent variable from the independent variable.

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According to results:

-There is a significant linear relationship between loyalty and satisfaction with product effectiveness, because the calculated value of t is larger than the critical value ($7,053 > 2.228$) or $\text{sig} < 0.05$. H_0 is then rejected. Moreover, the relationship between loyalty and satisfaction with product efficiency is also significant ($\text{sig}=0.009 < 0.05$).

- Loyalty = $0,007 + 0,636$ Satisfaction with effectiveness + $0,192$ Satisfaction with efficiency. 0.636 is the change in consumers' loyalty (Y) when satisfaction with product effectiveness (X1) changes by one unit. And 0.192 is the change in consumers' loyalty (Y) when satisfaction with product efficiency (X2) changes by one unit.

-The positive sign of the slope coefficient indicates that this relationship is positive: ***The more consumers are satisfied with the effectiveness and the efficiency of the product, the more loyal they are. The less satisfied they are, the less loyal they will be.***

-Determination of the strength and the significance of the association:

Récapitulatif des modèles

| Modèle | R | R-deux | R-deux ajusté | Erreur standard de l'estimation |
|--------|-------------------|--------|---------------|---------------------------------|
| 1 | ,669 ^a | ,576 | ,564 | ,76471585 |

Source: SPSS data analysis

The strength of the association is measured by the coefficient of determination R^2 . The variation in loyalty (Y) is accounted by **57,6 %** of variation in dependents variables.

ANOVA^a

| Modèle | | Somme des carrés | ddl | Moyenne des carrés | F | Sig. |
|--------|------------|------------------|-----|--------------------|--------|-------------------|
| 1 | Régression | 31,804 | 2 | 15,902 | 27,193 | ,000 ^b |
| | Résidu | 39,181 | 67 | ,585 | | |
| | Total | 70,985 | 69 | | | |

Source: SPSS data analysis

The calculated F statistic is larger than the critical value ($\text{sig}= 0,000 < 0.05$), therefore, the relationship is significant.

3. Hypothesis review

The critical analysis has shown that the process of development of the new-product has been respected by Henkel Algeria, the process was quiet similar to the one described in literature review, except the concept testing as well as the market testing which are not mandatory steps. This leads to *confirm the first hypothesis* that says: ***Henkel Algeria has followed a typical launching process for its new-product development.***

The Univariate analysis through the comparative table of purchase criteria of a dishwashing liquid product and respondents' perceived quality for the same criteria of PRIL ISIS GOLD has shown that the criterion "Does not damage the skin of hands" is important for the purchase of the product but its perception concerning PRIL ISIS GOLD is negative. We deduce that this need is totally unfulfilled. Moreover, gaps are not wide between the criteria that are considered important for the purchase of a dishwashing liquid (ultra concentrated formula, effective degreasing, economic product, foaming product) and their perceptions regarding PRIL ISIS GOLD. However, expectations are still higher than perceptions; we deduce then that the product does not fully meet the needs of the respondents. These results lead to *reject the second hypothesis* that says: ***PRIL ISIS GOLD meets consumers' expectations.***

Multivariate analysis has been performed through Factorial analysis to reduce the items: Ultra concentrated formula, similar quality to imported products, more practical opening system and more attractive packaging. Two factors were extracted: Product efficiency and product attractiveness. Then, regression analysis has been conducted to analyse the impact of perceived efficiency on price perception. The analysis has shown a positive impact of product perceived efficiency on price perception: *Those who have more perceived efficiency of the product have more positive price perceptions.* This leads to *confirm the second hypothesis* that says: ***Perceived quality impacts perception of price.***

The Bivariate analysis, through cross tabs and student test, has shown that TV advertising positions the product of foreign quality in consumers' mind and the sponsorship of television programs does not only give impression that PRIL ISIS GOLD is a premium product but positions it that way in consumers' mind. Therefore, the marketing support mostly TV advertising has been effective in delivering the "high quality" image and the premium positioning of the product, which leads to *confirm the fourth hypothesis* that says: ***Placement in premium media vehicles drives the premium positioning of a product.***

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Conclusion

To sum up, this chapter exposed the hand dishwashing liquid market in Algeria and its constituents, as well as Henkel Corporation and its development.

Moreover, it described and analyzed the launch of the new product PRIL ISIS GOLD and presented the data analysis and the results obtained from the survey conducted among consumers.

The difficulties encountered and challenges faced by the company when launching its new product PRI ISIS GOLD at the premium segment, and the solutions proposed by the researcher are discussed below.

➤ **Summary of the challenges and difficulties encountered**

• **Product**

The premium positioning has raised customers' expectations about the new-product; however, analysis has shown dissatisfaction with the use (gaps between the promise and the product). Customers have not found the expected level of value.

Consequently:

- Consumers might simply stay with what they are used to, because they do not understand what makes the product premium and unique.
- The product has fallen short of claims and this might make it suffers bad reviews, especially in this technological age, when one person can spread bad news to thousands.
- The brand promise has not been maintained, therefore, consumers will not trust the brand much longer and hence it will not be treated as a premium product, as well as it might affect brand credibility and brand perception.

The causes of the dissatisfaction with the product's features and the unfulfilled expectations might be the negligence of the concept testing and the market testing when developing the new-product.

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- **Price**

Pearson's correlation has shown that there is a positive relationship between price acceptability and product efficiency. We have concluded that the more consumers find the new-product PRIL ISIS GOLD efficient, the more they will accept to pay the required price of 175 DA. However, the new-product's perceived efficiency is negative according to consumers, consequently, the price of 175 DA is not accepted by consumers.

Multiple regression analysis has shown a positive relationship between perceived quality and price perception. We have concluded that those who have more perceived efficiency of the product will have more positive price perceptions. However, PRIL ISIS GOLD has been judged inefficient; consequently, its price perception is negative, means that, the price is perceived as too high, with other words, expensive for the delivered quality.

This leads to say that the new-product's quality does not support the high price; it means that the perceived value by consumers does not justify the price level.

- **Promotion**

According to the analysis, the promotional support (ATL and BTL activities), especially the TV advertising has been effective in transmitting the image desired by the company for the new-product: premium product, product of German quality, leading brand. But the company might be reproached for the lack of originality and diversification which is a major tool towards the premium strategy.

No pre-announcement has been done nearby consumers before the launch of the new-product on the market: No event has been organized to announce the launch of the product, no prior digital communication on social media and absence of advertising displays.

The promotional support have not accompanied the first days of the launch of the new product, which is risky in the way that consumers can have a random positioning, conflicting with the one desired by the company.

No experience has been offered to consumers despite its importance to build a premium positioning and a premium strategy.

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- **Place**

Consumers do not find the product everywhere; it is not present in all the cities: The product has been launched with a weak sales network, which is insufficient to reach the intended target.

- **The solutions proposed by the researcher to the encountered difficulties**

- **Improving the quality**

The quantitative study has revealed discrepancies between consumers' expectations and perceptions of PRIL ISIS GOLD, on which the company can rely to improve the quality of the formula and adapt it more to the needs and expectations of its consumers and prove the promise of message advertised.

In this case, the marketing team can only embrace consumers' feedback and get the R & D department briefed and informed.

- **Backing-off and redressing**

In case nothing can be done to improve the quality of the product, which requires years of research and large budget, we propose to the company to change its positioning: Less pretentious advertising message to make the balance between the promise of the advertising message and the value delivered by the product, as well as to review the price variable downward.

- **Proving the premium quality and maintaining the premium positioning**

Sometimes, the product itself is not the reason for its failure, it may have little or nothing to do with the actual excellence of the product, and it may be the customer journey surrounding it.

In this case, and if the company is confident about the product formula, it is suggested to prove the quality by:

Providing consumers with samples for the “push to trial” as well as setting up demonstration stands to prove the new-product added value compared to the regular PRIL ISIS and to justify the difference in pricing, and also performing tests to show that the new-product has the same efficiency as its direct competitor Fairy.

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The company can also ask happy customers to write testimonials or make an interesting video where they share their success stories.

To align with the premium strategy and maintain the premium positioning, the company is recommended to provide consumers with original experiences:

a) We suggest to the company to test the "SWAP strategy", which is inspired by the premium brand MARLBORO and which consists in exchanging the product used by the consumer against the product marketed by the company.

For example, by showing up at the consumer's home and suggesting an exchange of the competing dishwashing liquid product that she uses against PRIL ISIS GOLD and rewarding with gifts those who use it already.

b) We suggest to the company to bring original ideas to have consumers' attention and to push them to try the new-product. Inspired by MIR, the dishwashing liquid brand (Henkel France) that wanted to push consumers to test its product and make the trial cool and fun, has brought an original and daring idea, which consists in the creation of an ephemeral restaurant in several cities, where you have to do the dishes at the end of the meal using MIR to pay the bill.

- **Strengthening the Premium strategy**

In case the company is confident about its product's quality or the quality is improved, Henkel Algeria can go further and strengthen its premium strategy by the following suggestions:

The more the offer is personalised and diversified, the more it is premium. Therefore, we recommend to the company customization and diversification of the product to be closer to consumers' tastes and preferences, by choosing creative teams for packaging as well as working with R&D to bring colour and freshness to the concept of dishwashing liquid. Inspired by foreign dishwashing liquid products, we suggest the following scents in order to change from the Algerian dishwashing products that always offer the same scent of lemon. : green apple, lime, raspberry, almond, green menthe, jasmine, pomegranate or associating other variables such as vinegar or bicarbonate, which are known for neutralizing the limestone that hinders the effectiveness of dishwashing products, and the contributing in dissolving fats and organic residues on dishes.

Chapter III: Tracking and analysis of «PRIL ISIS GOLD» launch

Moreover, the quantitative study has revealed that the criterion "does not damage the skin of hands" is important for the purchase of a dishwashing liquid product, on the other hand the new product does not meet this expectation. As a result, we suggest to the company to go for a co-branding with a cosmetics brand known for its moisturizing creams, for example NIVEA or FAIR AND LOVELY.

To gain more market shares and strengthen the premium positioning, the company can also partner with a brand of home appliances or a luxury dishware brands like LUMINARC or TEFAL, by offering consumers PRIL ISIS GOLD with every purchase of a set of dishes from TEFAL for example.

Finally, it is recommended to strengthen digitalisation through sponsored publications to reach more of the target audience, and via the presence on YouTube which is more premium.

General Conclusion

General Conclusion

In a sector known for stagnation, like that of dishwashing liquid products, any company that wants to ensure its survival is always obliged to innovate, be creative and come up with new products. The innovative company has a competitive advantage (Schumpeter) that is translated into profit. The company must anticipate changes and change its environment.

Successful launch of a new-product requires significant efforts on the financial level as well as it requires the emergence of new ideas that can meet consumers' needs and expectations.

Product launch is a complex process; it requires the mobilization of all means of the company, policy coherence and increased monitoring during the first months of the launch.

The present research aimed mainly to determine *the challenges faced by Henkel Algeria when launching a liquid dishwashing product in the premium segment*. Through this research we discovered how the company has launched its new-product to build a premium segment and face its main competitor. Moreover, we were able to get feedbacks from consumers regarding the product, price and communication variables.

The research model for this study was developed based on the literature review. Previous literatures about innovations, new-product development process in addition to consumer behaviour towards novelty were discussed.

The first chapter has raised questions about what is innovation, what push companies to innovate and what are the dilemmas of innovative companies. In the other hand, innovation perception from consumers' perspective has been outlined. Finally, the process of new products adoption by consumers and characteristics influencing adoption have been stressed.

The second chapter has detailed the process of developing new products, new-products strategies as well as the marketing strategy and the premium strategy. Finally monitoring and control indicators were presented.

The third chapter was dedicated to the empirical study where the dishwashing liquid market in Algeria and its constituents were exposed, as well as Henkel and Henkel Algeria Corporation, its history strategy and development. In addition, the organizational flowchart and the marketing department flowchart were presented.

General Conclusion

Moreover, an explanatory view of the methodology used in this research has been provided; Data analysis was performed and findings were presented, followed by the evaluation of hypotheses that were evaluated based on the results of the analysis. Finally, summary of the results and solutions proposed by the researcher were presented.

Findings allowed researcher to check the hypothesis of the research model:

- Hypothesis 1: *Henkel Algeria has followed a typical launching process for its new-product development* was confirmed.
- Hypothesis 2: *PRIL ISIS GOLD meets consumers' expectation* was rejected.
- Hypothesis 3: *Perceived quality impacts PRIL ISIS GOLD's price perception* was confirmed.
- Hypothesis 4: *Placement in premium media vehicles drives the premium positioning of PRIL ISIS GOLD* was confirmed.

Importantly, our results have shown that:

- The premium price and positioning were not supported by the high quality of the new-product, it is concluded that Henkel Algeria have been blinded by Fairy's competition and wanted at all costs to build a premium segment. However, it has completely ignored the real expectations of consumers.
- No original experiences were proposed to consumers and no effort of diversification and creativity has been made in communication, it is concluded that Henkel Algeria has not aligned to the premium strategy and the innovation strategy.
- Every offer that is claimed to be premium must be accompanied by originality, personalization and audacity. However, the superior quality and value delivery are the first conditions to be checked.
- Even if the company believes that its new product idea is a guaranteed winner, testing the market before the launch can help it adjust what it is selling or how it is selling it, helping it maximize its profits. Product marketing tests let the company evaluate multiple aspects of the business strategy before it commits the entire budget.

General Conclusion

Accordingly to this research, researcher has proposed different strategies and multiple suggestions for Henkel Algeria:

- Improving the quality.
- Backing-off and redressing.
- Proving the premium quality and maintaining the premium positioning.
- Strengthening the Premium strategy.

Research limitations

The present research has not focused on the study of the fourth P of the marketing mix: place, but on the feedback of consumers on product, price and communication variables. This choice has been made to meet the desire of the company.

Due to the lack of a sampling frame and time and means constraints, we were not able to conduct a random sampling, knowing that random sampling could have allowed a better homogeneity of the population.

To ensure representative sampling we have targeted a sample of 384 women. But again, due to lack of time and resources, we have been unable to reach the desired sample. Therefore, our sample of 200 is not representative.

To administrate our questionnaire to the right target population (PRIL ISIS core target: women aged between 25 to 55 years old), we had to go to supermarkets and hypermarkets and to ask shoppers to give us answers, which was a wearing task for them and might made them give unreliable answers.

General Conclusion

Recommendations for future research

Based on the present research limitations, recommendations for future research are suggested. This study used quantitative method to investigate the research questions .However; future researches may use qualitative method to provide a deeper understanding to the attitudes and reactions of consumers towards the launch of the new-product. Furthermore, some research paths have been detected in order to follow the evolution of Henkel Algeria and its product PRIL ISIS GOLD or to provide future researchers with research ideas:

- The role of providing consumers with original experiences on brand perception in a stagnant market.
- The impact of misleading advertising on brand perception.
- The impact of the premium positioning on quality perception.
- The influence of consumer journey on new-product failure.

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Appendices

Appendix (A): The questionnaire

Appendix (B): الإستبيان

Appendix (C): Le questionnaire

Appendix (D): What is the new product PRIL ISIS GOLD?

Appendix (E): PRIL ISIS GOLD introduction event.

Appendix (F): Sales pitch

Appendix (G): TV advertising storyboard

Appendix (H): The analysis of the audience generated by each TV channel in line with the target audience, April 2019

Appendix (I): Point Of Sales Materials (POSM)

Appendix (A): The questionnaire

As part of a Master's thesis realization, we kindly ask you fill out this questionnaire regarding the launch of a new dishwashing liquid product.

There is no good or bad answer, just give the answer that faithfully represents your opinion.

1- Do you find any difficulties to wash your daily dishes?

Yes No

2- If your answer is "yes", what are these difficulties?

Removing leftover glued foods Eliminating bad odours
 Removing traces of burns Removing fats Other.....

3- Name three brands of dishwashing liquid you know, even if you have never used them:

.....

4- Which of these brands of dishwashing liquid do you know, even if you have never used them?

Aigle Amir clean Fairy Force xpress Mir Pril ISIS Paic Test

5- To what extent do the following statements make you change the dishwashing liquid that you are currently using? (Put X to answer please)

| | strongly | A lot | Moderately | A little | Not at all |
|---|----------|-------|------------|----------|------------|
| Not economical | | | | | |
| Does not wash a large amount of dishes | | | | | |
| Not concentrated enough | | | | | |
| Does not degrease enough | | | | | |
| Does not eliminate bad odours | | | | | |
| Damages the skin of hands | | | | | |
| Bad aesthetic appearance of the product | | | | | |
| Bad value for money | | | | | |

6- Do you know "Pril ISIS Gold"? (If your answer is "no", go to Basic information about the participant at the end of the questionnaire)

Yes No

7- If your answer is "yes", how did you know about it?

- I saw a TV advertising
 I saw the product at the point of sale
 Through the FACEBOOK page of Pril ISIS
 By someone around me
 Through SAMIRA TV's shows
 I do not remember

8- Have you used it?

- Yes No

9- If your answer is « yes », is "Pril ISIS Gold" more effective than your usual dishwashing liquid?

- Strongly agree
 Agree
 Neutral
 Disagree
 Strongly disagree

10- If your answer is “no”, than why? (and please go to Basic information about the participant at the end of the questionnaire)

- Expensive price
 Not available around me
 I do not see what brings more for dishes washing
 Other

11- For the following characteristics of "Pril ISIS Gold" do you:

| | Strongly agree | Agree | Neutral | Disagree | Strongly disagree |
|--------------------------------------|----------------|-------|---------|----------|-------------------|
| Ultra concentrated formula | | | | | |
| Similar quality to imported products | | | | | |
| More practical opening system | | | | | |
| More attractive packaging | | | | | |

12- Indicate how satisfied you are with the following features of "Pril ISIS Gold". (Put X to answer please)

| | Very satisfied | Quite satisfied | Neutral | Quite dissatisfied | Very dissatisfied |
|--|----------------|-----------------|---------|--------------------|-------------------|
| Sparkling dishes | | | | | |
| Eliminates the most stubborn residues (such as burns traces) | | | | | |
| Effective degreasing | | | | | |
| Very foaming product | | | | | |
| Eliminates bad odours | | | | | |
| Economic product | | | | | |
| Does not damage the skin of hands | | | | | |
| Cleans effortlessly | | | | | |

13- You can link « Pril ISIS Gold » to : (Choose as many as you like)

- European quality Developed by professionals Innovation
 Leader brand Premium Product Imitation
 Local product Value for money Imported product

14- What do you think about “Pril ISIS Gold” price?

- Expensive
- Affordable
- Not expensive

15- Would you buy « Pril ISIS GOLD » at the price of 175 DA?

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

16. To what extent do you agree with the following statements about « Pril ISIS Gold »? (Put X to answer please)

| | Strongly agree | Agree | Neutral | Disagree | Strongly disagree |
|--|----------------|-------|---------|----------|-------------------|
| According to television advertising, I feel that it is an imported product. | | | | | |
| As advertised, I found that Pril ISIS Gold is of German quality. | | | | | |
| Through advertising, I know that this product is developed by foreign specialists. | | | | | |
| The sponsorship of various television programs gives me the impression that this product is premium. | | | | | |
| Thanks to the FACEBOOK page of Pril ISIS, I learned the features of Pril ISIS Gold. | | | | | |
| The visibility at the point of sale motivates me to test this product | | | | | |
| I intend to buy Pril ISIS Gold another time. | | | | | |
| I recommend Pril ISIS Gold to those around me. | | | | | |

Basic information about the participant

What is your age?

- Under 25
- Between 25 and 40
- Between 41 and 55
- Above 55

If you are active, what is your income level?

- Under 18.000DA
- Between 18.000 and 30.000 DA
- Between 31.000 and 60.000 DA
- Above 60.000 DA

What is your city of residence?

.....

Thank you for your collaboration.

الإستبيان (B): Appendix

في إطار إنجاز مذكرة ماستر نلتهمس منكم ملء هذا الإستبيان و الذي يتعلق بإطلاق منتج جديد لسائل غسيل الأواني

لا توجد إجابة صحيحة أو خاطئة، الرجاء الإجابة بكل صراحة على جميع الأسئلة و إعطاء الإجابة الأقرب لرأيك

1. هل تجددين صعوبة في غسيل الأواني اليومية؟
 نعم لا

2. إذا كانت الإجابة بنعم فماهي هذه الصعوبات؟
 إزالة البقايا المحروقة إزالة بقايا الأطعمة اللاصقة
 القضاء على الروائح الكريهة إزالة الدهون أخرى

3. اذكر ي ثلاث علامات تجارية تعرفينها لسائل غسيل الأواني

.....

4. أي من هذه العلامات التجارية من سائل غسيل الأواني تعرفينها، حتى لو لم تستخدمها من قبل؟
 Aigle Amir clean Fairy Force Express Mir Pril ISIS Paic Test

5. إلى أي مدى يمكن أن تجعلك العبارات التالية تغيرين سائل الأواني الذي تستعملينه حالياً؟
(ضعي X للإجابة من فضلك)

| بتاتا | قليلا | باعتدال | كثيرا | إلى حد بعيد | |
|-------|-------|---------|-------|-------------|------------------------------------|
| | | | | | غير اقتصادي |
| | | | | | لا يسمح بغسل كمية كبيرة من الأواني |
| | | | | | غير مركز بما فيه الكفاية |
| | | | | | لا يقضي على الدهون بما فيه الكفاية |
| | | | | | لا يقضي على الروائح الكريهة |
| | | | | | يضر ببشرة الأيدي |
| | | | | | مظهر غير جذاب للمنتج |
| | | | | | جودة غير كافية بالنسبة لسعر المنتج |

6. هل تعرفين سائل غسيل الأواني "بريل إيزيس غولد"؟
(إذا كانت الإجابة بلا، يرجى الاتجاه مباشرة إلى "بيانات عن المشتركة" في نهاية الاستبيان)
 نعم لا

7. إذا كانت الإجابة بنعم، كيف تعرفتي عليه؟
 رأيت إعلانا تلفزيونيا للمنتج
 رأيت المنتج في نقطة البيع
 من خلال صفحة الفيسبوك لبريل إيزيس
 عبر برامج سميرة تيفي
 من قبل شخص من محيطي
 لا أتذكر

8. هل استعملتي سائل غسيل الأواني "بريل إزيس غولد"؟

نعم لا

9. إذا كانت الإجابة بنعم، هل تجدين "بريل إزيس غولد" أكثر فعالية من سائل الأواني الذي تستعملينه حالياً؟

أوافق بشدة

أوافق

حيادية

لا أوافق

لا أوافق بشدة

10. إذا كانت الإجابة بلا، لماذا؟ ثم يرجى الانتقال مباشرة إلى "بيانات عن المشتركة" في نهاية الاستبيان

سعر مرتفع

غير متوفر بالقرب من مكان إقامتي

لا أرى ما يجلبه أكثر لغسل الأواني

أخرى

11. إلى أي مدى توافقين على العبارات التالية بخصوص "بريل إزيس غولد"؟

| لا أوافق بشدة | لا أوافق | حيادية | أوافق | أوافق بشدة | |
|---------------|----------|--------|-------|------------|--------------------------------|
| | | | | | تركيبية جد مركزة |
| | | | | | جودة مماثلة للمنتجات المستوردة |
| | | | | | طريقة فتح المنتج عملية أكثر |
| | | | | | تغليف المنتج أكثر جاذبية |

12. حددي مدى رضاك عن الوظائف التالية لـ "بريل إزيس غولد"

(ضعي X للإجابة من فضلك)

| غير راضية على الإطلاق | غير راضية | حيادية | راضية | راضية جداً | |
|-----------------------|-----------|--------|-------|------------|---|
| | | | | | أواني لامعة |
| | | | | | يقضي على البقايا اللاصقة مثل البقايا المحروقة |
| | | | | | يقضي على الدهون بشكل فعال |
| | | | | | يقضي على الروائح الكريهة |
| | | | | | يوفر رغوة كثيفة |
| | | | | | اقتصادي |
| | | | | | لا يضر ببشرة الأيدي |
| | | | | | ينظف بدون جهد |

13. يمكنني ربط "بريل إزيس غولد" بالصفات التالية: يمكنك اختيار عدة صفات

إبتكار مطور من طرف الخبراء جودة أوروبية

منتج متميز تقليد علامة رائدة

منتج مستورد منتج محلي منتج ذو قيمة جيدة مقابل السعر

14. ماهو رأيك بخصوص سعر "بريل إزيس غولد"؟

- غال
 مقبول
 معقول

15. هل أنت مستعدة لشراء "بريل إزيس غولد" بسعر 17.5 دج؟

- أوافق بشدة
 أوافق
 حيادية
 لا أوافق
 لا أوافق بشدة

16. مار أيك حول العبارات التالية بخصوص "بريل إزيس غولد"؟
(ضعي X للإجابة من فضلك)

| أوافق بشدة | أوافق | حيادية | لا أوافق | لا أوافق بشدة | |
|------------|-------|--------|----------|---------------|--|
| | | | | | وفقاً للإعلان التلفزيوني لدي انطباع بأنه منتج مستورد |
| | | | | | من الإعلان، لاحظت أن هذا المنتج ذو جودة ألمانية |
| | | | | | من خلال الإعلان، أعرف أن هذا المنتج تم تطويره من طرف متخصصين أجانب |
| | | | | | رعاية البرامج التلفزيونية المختلفة يعطيني انطباع بأنه منتج راقى |
| | | | | | بفضل صفحة الفيسبوك ل بريل إزيس تعرفت على وظائف بريل إزيس غولد |
| | | | | | رؤية هذا المنتج في نقطة البيع تجعلني أرغب في تجربته |
| | | | | | أنوي شراء هذا المنتج مرة أخرى |
| | | | | | أستطيع أن أوصي بهذا المنتج إلى محيطي |

بيانات عن المشتركة

العمر

أقل من 25 سنة بين 25 و 40 سنة بين 41 و 55 سنة أكثر من 55 سنة

الدخل الشهري

أقل من 18.000 دج بين 18.000 و 30.000 دج
 بين 31.000 و 60.000 دج أكثر من 60.000 دج

ماهي ولايتك؟

.....

شكرا على المشاركة

Appendix (C): Le questionnaire

Dans le cadre de la réalisation d'un mémoire de Master. Nous vous prions de bien vouloir remplir ce questionnaire concernant le lancement d'un nouveau produit de liquide vaisselle.

Il n'y a ni bonne ni mauvaise réponse, donnez la réponse qui vous paraît la plus proche de votre opinion.

1- Trouvez-vous des difficultés à laver votre vaisselle quotidienne?

Oui Non

2- Si oui, quelles sont ces difficultés ?

Enlever les restes d'aliments collés Eliminer les mauvaises odeurs
 Enlever les traces de brûlures Enlever le gras Autre.....

3- Citez trois marques de liquide vaisselle que vous connaissez :

.....

4- Parmi ces marques de liquide vaisselle, les quelles connaissez-vous, même si vous ne les avez jamais utilisé ?

Aigle Amir clean Fairy Force Express Mir Pril ISIS Paic Test

5- A quel point les modalités suivantes pourront vous pousser à changer le liquide vaisselle que vous utilisez actuellement ? (Mettez X pour répondre SVP)

| | Enormément | Beaucoup | Moyennement | Un peu | Pas du tout |
|---|------------|----------|-------------|--------|-------------|
| N'est pas économique | | | | | |
| Ne permet pas de laver une grande quantité de vaisselle | | | | | |
| N'est pas assez concentré | | | | | |
| Ne dégraisse pas assez | | | | | |
| N'élimine pas les mauvaises odeurs | | | | | |
| Agresse la peau des mains | | | | | |
| Mauvais aspect esthétique du produit | | | | | |
| Mauvais rapport qualité/prix | | | | | |

6- Connaissez-vous « Pril ISIS Gold » ? (Si non, passez à la fiche signalétique à la fin du questionnaire)

Oui Non

7- Si oui, comment l'avez-vous connu ?

J'ai vu une publicité télévisée
 J'ai vu le produit sur le lieu de vente
 A travers la page FACEBOOK de Pril ISIS
 Par une personne de mon entourage
 A travers les émissions de Samira TV
 Je ne me rappelle plus

8- L'avez-vous utilisé ?

Oui Non

9- Si oui, « Pril ISIS Gold » est-il plus efficace que votre liquide vaisselle habituel ?

- Tout à fait d'accord
- D'accord
- Neutre
- Pas d'accord
- Pas du tout d'accord

10- Si non, pourquoi ? (et passez à la fiche signalétique à la fin du questionnaire)

- Prix cher
- Pas disponible auprès de chez moi
- Je ne vois pas qu'est ce qu'il apporte de plus pour le lavage de vaisselle
- Autre

11- Pour les caractéristiques suivantes de « Pril ISIS Gold » êtes-vous ?

| | Tout à fait d'accord | D'accord | Neutre | Pas d'accord | Pas du tout d'accord |
|---|----------------------|----------|--------|--------------|----------------------|
| Formule très concentrée | | | | | |
| Qualité équivalente aux produits importés | | | | | |
| Système d'ouverture plus pratique | | | | | |
| Emballage plus attrayant | | | | | |

12- Indiquer votre degré de satisfaction pour les fonctionnalités suivantes de « Pril ISIS Gold ». (Mettez X pour répondre SVP)

| | Très satisfait | Plutôt satisfait | Neutre | Plutôt insatisfait | Pas du tout satisfait |
|---|----------------|------------------|--------|--------------------|-----------------------|
| Une vaisselle étincelante | | | | | |
| Elimine les résidus les plus tenaces (comme les brûlures) | | | | | |
| Dégraissage efficace | | | | | |
| Produit très moussant | | | | | |
| Elimine les mauvaises odeurs | | | | | |
| Produit économique | | | | | |
| N'agresse pas la peau des mains | | | | | |
| Nettoie sans effort | | | | | |

13- Vous associez « Pril ISIS Gold » avec : (Vous pouvez cocher plusieurs choix)

- Qualité Européenne
- Développé par les professionnels
- Innovation
- Marque leader
- Produit premium (de bonne marque)
- Imitation
- Produit local
- Produit bon rapport qualité/prix
- Produit importé

14- Comment trouvez-vous le prix de « Pril ISIS Gold » ?

- Cher
- Accessible
- Pas cher

15- Achèterez-vous « Pril ISIS GOLD » pour le prix de 175 DA

- Tout à fait d'accord
- D'accord
- Neutre
- Pas d'accord
- Pas du tout d'accord

16- A quel point êtes-vous d'accord avec les affirmations suivantes à propos de « Pril ISIS Gold » ? (Mettez X pour répondre SVP)

| | Tout à fait d'accord | d'accord | Neutre | Pas d'accord | Pas du tout d'accord |
|--|----------------------|----------|--------|--------------|----------------------|
| D'après la publicité télévisée, j'ai l'impression que c'est un produit importé. | | | | | |
| Conformément à la publicité, j'ai constaté que Pril ISIS Gold est de qualité allemande | | | | | |
| Grâce à la publicité, je sais que ce produit est élaboré par des spécialistes étrangers. | | | | | |
| Le parrainage de différents programmes télévisés me donne l'impression que ce produit est premium. | | | | | |
| Grâce à la page FACEBOOK de Pril ISIS, j'ai appris les fonctionnalités de Pril ISIS Gold. | | | | | |
| La visibilité sur le lieu de vente me motive à tester ce produit. | | | | | |
| Je compte acheter Pril ISIS Gold une autre fois. | | | | | |
| Je recommande Pril ISIS Gold à mon entourage. | | | | | |

Fiche signalétique

Avez-vous ?

- Moins de 25 ans Entre 25 et 40 ans Entre 41 et 55 ans Plus de 55 ans

Si vous êtes active, quel est votre revenu mensuel ?

- Moins de 18.000DA Entre 18.000 et 30.000 DA
 Entre 31.000 et 60.000 DA Plus de 60.000 DA

Quelle est votre ville d'habitation ?

.....

Merci pour votre collaboration.

Appendix (D): What is the new PRIL ISIS GOLD?



Appendix (E): PRIL ISIS GOLD introduction event



Appendix (F): Sales pitch



Stratégie merchandising

- Mettre le nouveau PRIL ISIS GOLD à côté de notre principal concurrent Fairy.
- Mettre le nouveau PRIL ISIS GOLD à côté des produits liquide vaisselle importés.
- Mettre le nouveau PRIL ISIS GOLD à côté de nos produits PRIL ISIS.
- Optimiser le shelf et agrandir nos parts de linéaires.
- Mettre le nouveau PRIL ISIS GOLD à la portée du consommateur.
- Le nouveau PRIL ISIS GOLD doit être vendu dans tous les différents points de ventes.

استراتيجية الترويج

- وضع وضع PRIL ISIS GOLD الجديد بجانب المنافس الرئيسي فيري.
- وضع وضع PRIL ISIS GOLD الجديد بجانب منتجات سائل غسل الاواني المستوردة.
- وضع وضع PRIL ISIS GOLD الجديد بجانب المنتج بريل اريس.
- تحسين الرفوف، و توسيع حصصنا في المحل.
- وضع وضع PRIL ISIS GOLD الجديد في متناول المستهلك.
- بيع PRIL ISIS GOLD الجديد في جميع نقاط البيع المختلفة.











Découvrez le nouveau PRIL ISIS GOLD




N°1 en ALGÉRIE

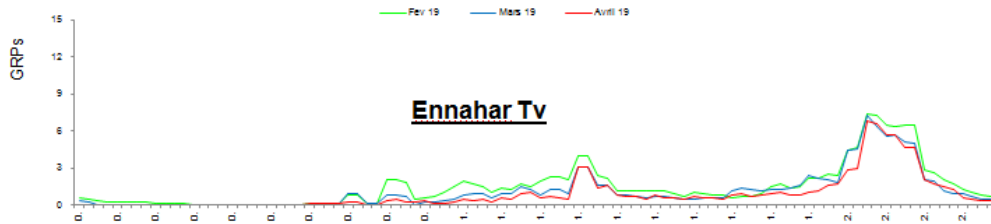
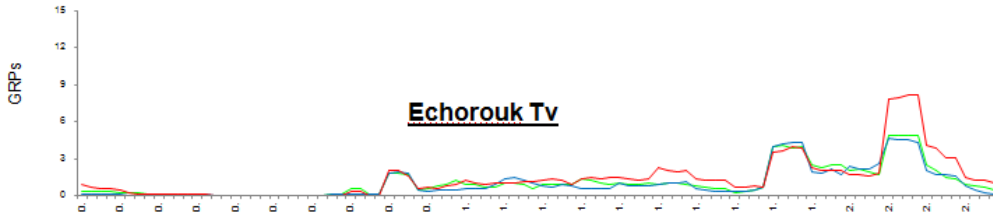


Appendix (G): TV advertising storyboard

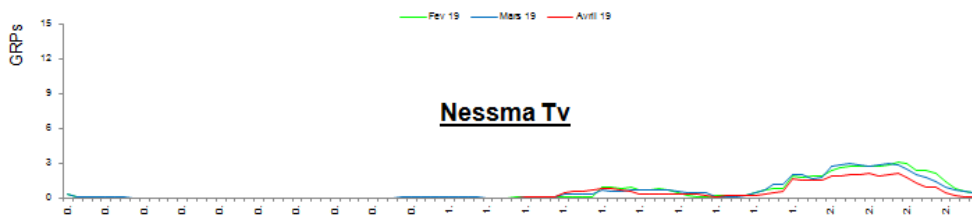
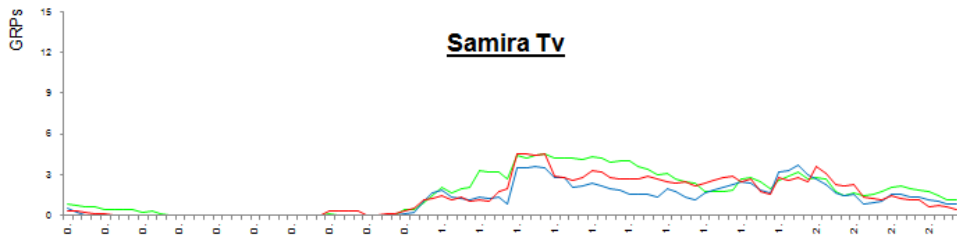
| | | |
|--|---|---|
|  <p>you will find only the best here ما تصيبو عندي غير المعخير</p> |  |  <p>I don't have time to scrub the dishes ما عنديش الوقت نحك الماعن</p> |
|  <p>that's why I put my trust in only the best على هذا نثيق غير فالأحسن</p> |  <p>the new "PRIL GOLD" بريل غولد الجديد</p> |  <p>With its ultra concentrated formula and its dense foam بتركيبو الأكثر تركيز و رغوته القوية</p> |
|  <p>removes the hardest fats and stubborn residues with no effort يزيل أصعب الدهون و البقايا اللاصقة بدون جهد</p> |  <p>The German quality is now available الجودة الألمانية الآن متوفرة</p> |  <p>Nothing better than PRIL GOLD لا شيء أفضل من بريل غولد</p> |

Appendix (H): The analysis of the audience generated by each TV channel in line with the target audience, April 2019

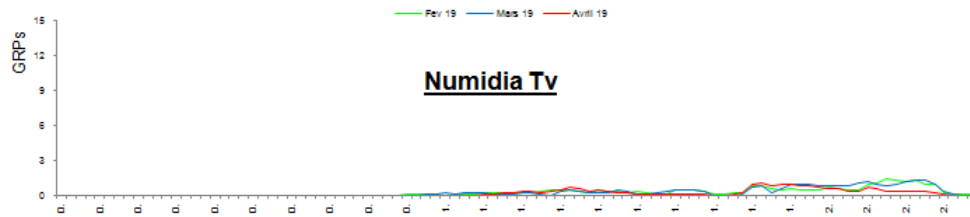
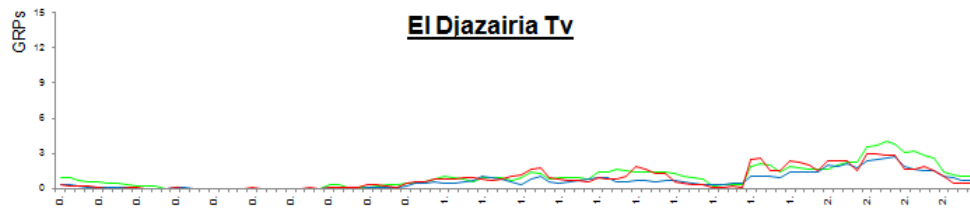
Audiences: Echorouk TV records a new peak of audience between 21h and 22h up to a max GRPs of 8.1 (trend to confirm).
 Ennahar TV maintains its usual scores reaching a max GRPs of 6.6.



Resumption of audience on Samira Tv Vs. the month before during the Day Time reaching 4.5 GRPs, with a maintenance of audience between 18h to 20h (3.7 GRPs). Nessma TV still in decline.



A slight resumption of audience on El Djazairia in prime time (+0.6 points between 21h and 22h Vs. Previous month). Total absence of audience on Numidia Tv.



GRP is an indicator of advertising pressure mainly used for media TV. The GRP acronym for "gross rating point" corresponds to the average number of advertising contacts obtained on 100 individuals of the target audience.

Appendix (I): Point Of Sales Materials (POSM)



