

# Market Researches which Are Conducted for Introduction of New Product on the Market

By Alona Tanasiichuk<sup>1</sup>, Olha Hromova<sup>2</sup>, Yulia Holovchuk<sup>5</sup>,  
Liudmila Serebnytska<sup>4</sup>, Shevchuk Anna<sup>5</sup>

## Abstract

At introduction of new product there are many risks which threaten success of goods in the market. To minimize risk, it is necessary to use the correct marketing of a new product, the correct receptions which are capable draw the attention of consumers on just appeared, little-known a product, to make it demanded and it is bought. The main thing, to each business to find the effective strategy of development and advance of a new product. Marketing of a new product differs from traditional market researches. And, first of all, differs in the fact that the assessment of prospects of a new product at stages of its development is carried out in the absence of the market, at total absence of consumers. It creates certain difficulties and increases the probability of mistakes in researches. There are many marketing techniques of advance of new products and services in the modern market. Therefore to businesses and businessmen, for advance of a new product it is necessary to study, first of all, and to effectively use the existing marketing arsenal. Of course, each businessman has to bring the nuances in the experienced methods of marketing. To adapt these receptions for the concrete business, for the marketing of a new product.

*Keywords: Market researches, new goods, marketing of new goods, technique of promotion of goods, trial marketing, experiment*

## 1. Introduction

At introduction of new goods there is a set of risks which threaten success of goods in the market. To minimize risk, it is necessary to use the correct marketing of a new product. The main thing, to each business to find the effective strategy of development and advance of a new product. And here the producer is come to the aid by marketing of a new product. Marketing of a new product is a practical tool by means of which the producer will be able to make a product necessary to the consumer where it is necessary when it is necessary also at the price that satisfies the consumer. There are many marketing techniques of advance of new products and services in the modern market. Therefore to businesses and businessmen, for advance of a new product it is necessary to study, first of all, and to effectively use the existing marketing arsenal. Of course, each businessman has to bring the nuances in the experienced methods of

<sup>1</sup>Doctor of Economics, Professor of Department of Marketing and Advertising, Vinnytsia Trade and Economic Institute to KNUTE, Vinnytsia, Ukraine

<sup>2</sup>Ph.D. in Economics, Associate Professor of the Marketing and Advertising Department, Vinnytsia Trade and Economics Institute, KNTEU, Ukraine

<sup>3</sup>Ph.D. in Economics, Associate Professor of the Department of Marketing and Advertising, Vinnytsia Trade and Economic Institute to KNUTE, Vinnytsia, Ukraine

<sup>4</sup>Senior Lecturer of Department of Marketing and Advertising, Vinnytsia Trade and Economic Institute to KNUTE, Vinnytsia, Ukraine

<sup>5</sup>Degree Seeker Ph.D. in Economics, Khmelnytsky National University, Khmelnytsky, Ukraine

marketing. To adapt these receptions for the concrete business, for the marketing of a new product.

## 2. Literature Review

To problems of the specification and application of imitating modeling in economic systems for a research at introduction of new goods on the market, the rubles devoted work of many domestic and foreign scientists, in particular Lehmann D., Lychkina N, Mintsberg G., Kolosova O., Ridinga C., Trakhtengerts E., Tsvirkuna A., Hemdi A. Taha, Mora E., Stone D., Robertson T (2010, 1984, 2015).

**Solutions.** To define methods of a research of a conclusion of new goods to the market. And in what differs researches of the goods which are already brought to the market and new.

**Discussion.** Marketing of a new product differs from traditional market researches. And, first of all, differs in the fact that the assessment of prospects of a new product at stages of its development is carried out in the absence of the market, at total absence of consumers. It creates certain difficulties and increases the probability of mistakes in researches.

The absence of the actual consumers complicates formation of selection for researches, complicates to conduct surveys. Without having a ready-made product, it is difficult to define precisely the potential consumer, to make his description, to specify its requirements to a product.

Therefore the analysis of analogs and prototypes becomes the main tool of researches in marketing of new products. The new product in small business seldom is absolutely unique, innovative. Usually what someone somewhere it, or its analogs, already makes. Experience of the producer and consumer can be looked for in other region or in other country. The complexity, consists not in search of prototypes, and in adequate use of the obtained information and correct transfer of a new product on the market.

It is not clear at all that the same product which enjoys popularity in one country will be popular also in another. Or the product popular in the city with the million population will be in the same demand in the town (2010).

Let's consider the simplest and inexpensive methods of marketing which can use with success in small business at different stages of development and a conclusion of a new product to the market (2014).

For small business, with its insignificant resources, one of the most useful researches at a stage of development of a new product, there can be a trial marketing. It combines both testing of the market, and a research of quality of a new product.

Tasks of trial marketing:

- to study whether the consumer needs this product;
- to define the potential consumer of a new product, to study that the potential consumer represents;
- To approximately define on what market size it is possible to count by production of a new product;
- To begin to explain to potential consumers what benefit will be brought to them by a new product;

- forms of service and customer acquisition are acquired;
  - features and quality indicators of a new product design, technological effectiveness, packing, etc. are specified.
  - spheres of use and service conditions of a new product are specified;
- additional opportunities and values which the new product can give to the consumer are specified;
- to estimate degree of success of an entry of a new product into the market (2014).

When development and preliminary testing of new goods are complete, preparation to its mass production and sale begins. However before its beginning exhaustive information about market the potential of new goods is necessary. Tests in market conditions (trial marketing) are for this purpose carried out. They give the most solid data about potential sales volume and target groups of consumers (2014).

Researches of new goods in market conditions allow to check real viability of a novelty and to obtain quite exact and solid information on the whole complex of marketing indicators. Before carrying out trial marketing it is necessary to decide on a format of future researches and the applied methods. Similar researches are especially important for goods that they significantly differ from previous when the producer does not know precisely as consumers will react to it and as to advance it on the market. Besides, obligatory test in market conditions is demanded by goods which development is connected with considerable investments (2010).

Depending on features of new goods, the industry and consumers - methods, scales and terms of market test of goods differ. They can take of 1-2 days (for example, testing of the restaurant of a new dish included in the menu) up to several years. In some cases the market situation forces the producer to conduct similar researches in limited volume or in general to refuse them (for example if it is known of fast entry into the market of goods of the competitor) (2014).

The most effective method by which one can evaluate the chances of success of a given product is the trial (experimental) sale of its small lots in a controlled market under real competition conditions.

For this purpose, as a rule, choose several trade enterprises in which represent new goods according to in advance developed merchandising strategy. Way of obtaining information on volumes of its sales is the analysis of cash accounts. However simple fixing of quantity of the bought goods of novelties in unit of time is not enough.

It is also interesting to learn how the consumer chooses new goods. It can be done, using special technical means (monitors of observation, video cameras, Studio the tape recorders sent to radio microphones, etc.), or by means of observers who fix behavior of buyers according to a previously developed plan.

Trial sales are intended to check viability of goods, new to the market, in practice and to fulfill technology of its advance and sale. It gives the chance to lower risk degree at the organization of mass (commercial) production.

Results of market researches demonstrate that approximately in half of cases new goods do not pass the first market test. At the same time for goods which showed the viability at trial sales the probability of failures at sale in mass scale decreases to 10% (2010).

When the new commodity significantly do not differ from previous (is their modifications), trial sales, as a rule, do not carry out. It is connected with the fact that

they demand considerable means and detain the beginning of production and entry into the market. At the same time there is a danger of disclosure of advantages of new goods by competitors. Also cases when competitors specially organized rather big purchases of the tested goods are known to mislead the enterprise which carries out trial sale.

Thus, revaluation of trial sales, as well as any other controlled experiments, conceals in themselves a certain risk.

The method of trial sales is rather widely used in practice, but, as a rule, experiments are made in a mine a format and during small time, for example, in the form of "the controlled store test". For carrying out trial marketing also other methods can be used.

So, for example, commodity tests are prolonged provide the offer to the respondent who took part in free testing of new goods, to get it and also similar goods of competitors at reduced prices (for stimulation of participation of the respondent in a research). Such purchases repeat 3-5 times, and the respondent himself chooses what brands of goods should be bought. The researcher regularly interviewing of the respondent, fixing brands are acquired and finds out its consecutive reactions to goods. The method allows to receive the index of repeated purchases of new goods in the conditions of competitive environments. Tests are quite often prolonged unite with testing of advertising materials that gives the chance in addition to analyze efficiency of communication policy in relation to new goods. Commodity tests are prolonged have rather limited potential. Because of specifics of formation of a sample they do not allow to estimate the expected size of the market of new goods. Besides the fact regular participation in testing leaves a mark on consumer desire of the respondent. However in prolonged tests there are also advantages. They can be carried out quickly and rather cheap. At the same time, by estimates of marketing specialists, such testings differs in sufficient reliability of the received results (2016).

Imitating tests are carried out among consumers who use the goods competing with take root on the market. During interviewing different questions become clear: Acquaintance to brands of goods of this assortment group; Attitude towards these of brands; frequency of purchases of goods of this assortment group; Reasons of the choice of this or that commodity brand of goods. Then participants of a research are invited to viewing of advertising materials (both already known, and new). Their presentation is carried out so that consumers could not define what goods are new. After advertising viewing respondents are given a certain sum of money and invite in shop for purchase commission. The choice of the respondent is not limited (he can buy the commodity brand which was pleasant to it). Frequency of purchase of goods of various brands including new, it is carefully fixed.

Then consumers who got a novelty, interview under the special questionnaire focused on clarifications of the reasons of the choice of new goods. Respondents who did not buy new goods are given its free sample.

After a while (it is caused by specifics of consumption of a product, - from several days to several weeks) telephone survey of all participants of a research is conducted. Ask respondents questions of their impressions of use of new goods, its characteristic, merits and demerits, readiness to make a repeated purchase or reasons for refusal of it.

Advantage of imitating tests is that they allow to hide from competitors of intention of the producer of new goods and also to hold testing in rather shorter terms. At the same

time it is possible to receive rather reliable results on assessment of number of primary and repeated purchases, efficiency of advertising materials in places of sale (2016).

Laboratory market tests assume the invitation of respondents in specially equipped room in which the atmosphere of real shop is reproduced. All goods (as new so appeared earlier) are appropriately presented on shelves. At first show to respondents advertising materials. and then they receive conditional money on which they have to "get" that were pleasant. In case of the choice of the tested goods it remains at the respondent who in several days is invited to do shopping again, but already for the money. At the same time survey during which it becomes clear whether the new goods were pleasant is conducted, than it differs from proposals of competitors, customer satisfaction degree in new goods, readiness to carry out repeated purchase, etc. the data collected during conducting laboratory market tests are exposed statistical the analysis which allows to surround degree of readiness of consumers for acquisition of new goods, the probability of repeated purchases and also efficiency of advertising materials (2014).

One of options of laboratory market test is the method of virtual start of goods on the market that provides demonstration to selection of consumers of computer "simulations" of shop, the main commodity brands in the set assortment group and the novelty. Brands which they would buy also a usual situation or in 10 standard cases of purchase ask to choose or get consumers. In the previous part of a research the new goods from an experiment are excluded.

At the following stage the consumer sees the same virtual calculation of goods, but with one exception - now at it there are studied goods. It ask to make a choice again, that is to carry out virtual purchase. Thus, researchers estimate a share of everyone commodity brands in the set assortment group even before representation of new goods, and then obtain the same data, but already taking into account a novelty (2016).

The market share received by new goods at virtual to the calculation is a basis for forecasting of volume of primary sales in retail trade (if to assume that new goods equivalent proposals of competitors). For final the account it is also necessary to estimate such factors as sensibleness of consumers about a novelty at launch, the number of trial purchases and the nature of sale of new goods (2010).

As practice shows, applying such approach, it is possible to overestimate the actual potential of new goods therefore at assessment of results it is necessary to allow on it a discount. With some other adjustments (awareness of consumers thanks to advertising, the nature of sale, resistance to the prices, regulations depending on the number of trial purchases, monthly gain of a share of the market, etc.) it is possible to receive clever coefficient of the amendment of the annual forecast. It should be noted that the virtual environment of purchase before real experience of consumers is closer, the it is more reliable results of a research. Thus, virtual start of new goods on the market has a number of advantages: systematic control over all incentives absolute control over the atmosphere during the experiment big efficiency in comparison with the real store calculation a possibility of simultaneous testing of bigger quantity of variable indicators in comparison with other methods of creation "live" a goods prototype (instead of its real production) researches remain unknown for competitors almost total absence of technical restrictions for participation of respondents in similar researches (2010).

Good results of tests of new goods in market conditions is the basis for a stage of

production and commercial development. The detailed plan of production of new goods is developed: Sources of deliveries are investigated by materials, components, the equipment; working drawings prepare; goods in production are launched.

Actions for everything of a marketing complex are at the same time developed. In terms of the theory and practice of marketing at a stage of commercial development the greatest risk and potential losses fall on a stage of introduction of new goods on the market.

Therefore it's very important to use non-standard, creative approaches (2015).

**Chart 1. Factors of success of a new product**

Factors	%
1. Adaptedness of a product to requirements of the market	85
2. Compliance of a product to special opportunities	62
3. Technological advantage of a product	52
4. Support of new products by the management enterprise	45
5. Uses of estimated procedures when choosing new models	33
6. Favorable competitive environment	31
7. Compliance of organizational structure problem of development of a new product	15

Finishing a discussion on development and deployment on the market of new goods, we will note an important circumstance: All stages of their creation have to be carried out in very short time, otherwise competitors can seize the market. Reduction of terms of development increases competitiveness as expenses on new goods have to pay off before it loses demand. In confirmation of it we will give an example. When Evgenii Grishkovets worked over the story "rivers", stole the computer with the text from him. For all mass media addresses of the author with a request appeared to return at least the winchester. The manuscript had to be restored. As a result the book was sold out in the circulation, astronomical for our time, - 100 thousand copies (2015).

### 3. Conclusion

Which methods of marketing to choose in each case, certainly, businessmen have to solve. But it is possible to say that the best success brings set to various methods safely. But first of all it is necessary to hold those marketing events which are capable to allocate a new product from among similar, to create target audience of a new product and to increase level of demand on it.

It is possible to note an important circumstance: All stages of their creation have to be carried out in very short time, otherwise competitors can seize the market.

Reduction of terms of development increases competitiveness as expenses on new goods have to pay off before it loses demand.

Therefore for effectively working enterprise the main problem is not in how to make new goods and as to make it the first.

## References

- A winning framework for market entry strategies (2010) [Electronic resource]. available at: <http://www.business-fundas.com/2010/market-entry-strategy/> (accessed 10 december 2019)
- Garmider L. D. (2016) Research of formation of the Commodity range of the enterprise Academic survey. №1. Page 111-117.
- How to advance new goods on the market (2016) available at: <https://spark.ru/startup/biznes-ru/blog/18782/kak-prodvinut-novij-tovar-na-rinok>. (accessed 10 december 2019)
- Kireev D.I. (2015) Removal of New Goods on the Market in the Conditions of Import Substitution. Agrofood Economy. №8. Page 36-40.
- Kondratieff N. D. (1984) The long wave cycle. Transl. by Daniels Gu. N.Y., 1984. 138p.
- Lukin V.K. (2014) Endurance of Marketing Commodity Policy. Bulletin of Academy of Knowledge. №1. Page 38-42.
- Nagorny E. I. (2010) Marketing model of an innovative cycle creation of new goods. Bulletin of the Khmelnytskyi national university. № 2. Page 106-111.
- Romanchik T. V. (2014) theory of an innovation: Researches conceptual and Business inform. №10. Page 138-142.
- Yermolaeva V. V. (2010) Theoretical bases of a research of innovations. Messenger of the National university "Lviv Polytechnic". Problems of economy and management. № 683. Page 268-273.