Assignment Topic:

Market analysis and its benefits in Product Idea Development

Objective of Assignment:

The main purpose of this assignment is to make students capable to understand that how different companies are working for their product launching campaigns and what is the role of marketing research and environmental analysis in introducing a new product in the market.

Outcomes:

After attempting the assignment students will be able to know:
Which different steps are involved in launching a new product in the market.
How competitors are beneficial in getting information about customer needs, wants and demands.

Case:

KFC Pakistan was launched in 1997. After that launch, KFC developed very affective marking strategy of looking upon its competitors and their moves. Periodic and regular market research made them capable enough to cope with the competitive environment of fast food industry of Pakistan. KFC holds many famous products that give remarkable profit over the period of time.

Product Lines and Brand Portfolio
KFC is the market leader in providing Fried Chicken and has a prominent brand name. They have a different taste, with distinctive image. Their hot-menu is interactive and dynamically changes with a consistent notch. Hot-menu contains different variety of meals, hosting every member of individual family.
The KFC Hot-menu includes:

- Burgers
- Snacks
- Chicken Meals
- Fish Burgers
- Arabian Rice
- Beverages
- Desserts

□ Combo Meals (combination meals)

BIG Filler Burger Idea Conceiving

KFC was facing severe competition from its competitor regarding size of the burger e.g. BIG MAC Burger by McDonald, Foot Long Burger by Subway etc. The crux of the task was to design a campaign where KFC could stand out among competitors by offering something unique and out of the box. Therefore KFC's product development team came up with a new idea of introducing "KFC Big Filler Burger"

Recently KFC conducted a research and a result shows that customers are not satisfied with the 'quantity' of the products. This is a very unique observation which comes under consideration. To have a deep insight, KFC conducted a research that what the competitors are doing in this regards. Research findings show that Big Mac by Mac Donald and Big Foot by Subway, have received a tremendous response from the market; especially from those customers who are focusing on the size of the product. For that KFC has developed a new product with the name of Big Filler burger. After the launch of this product, they again conducted a research and tried to explore the response of the customer regarding some particular attributes of the product. The findings are as follows:

Key Findings

- 66% of the respondents found the appearance of the product "Quite Appetizing"
- 94% respondents rated the size of the product on "Just about right"
- 80% Respondents rated overall product between scale 5 to 8
- 80% respondents liked the spiciness of the product
- 65% respondents rated cheesy flavor of the product on "Just about right" where as 29% wanted it be more cheesy
- 58% respondents found the sauce taste of the product to be "just about right"
- 70% respondent rated the overall combination of the product to be a good combination
- 96% respondents found the product to be convenient to handle
- 54% of the respondents are not agreed to buy it at Rs.250/- where as 33% people may or may not buy it

Questions:

1. After analyzing the findings of the research conducted, you need to identify the 'key factor' which compelled KFC's higher management to launch Big Filler Burger?
2. How competitors of KFC help in making an idea of Big Filler? Was it market intelligence or market research which helped KFC to take this decision?

Solution:

1. After analyzing the findings of the research conducted, you need to identify the 'key factor' which compelled KFC's higher management to launch Big Filler Burger?

Ans: As a new product launch is always risky. You can never be certain if your product will be a success or a failure. There are, however, ways to predict with reasonable accuracy, whether or not a product will succeed. This can be done by determining the key success factors for a new product. According to Dr. William R. Boulton,

"key success factor fall into five categories: customer requirements, competitive factors that must be met, regulations/industry standards, requirements to implement competitive strategy, and technical requirements to build a competitive position. Determining the precise key success factors for your specific product is simple when using these categories. Following a few easy steps will show you how to determine your key success factors."

1- customer requirement:

The KFC's higher management write down a list of customer requirements. These are the things that you know your potential customers want in a product. This can be gathered via market research. An example as it is discribed that the size of the burger is now attracting customers,. Therefore, it is considered a key success factor.

2- Competitive factors:

Write a list of competitive factors that must be met. For example, if you are marketing a new sports drink and all other sports drinks contain caffeine, putting caffeine in your product is a competitive factor that you must meet. Not meeting this factor means that you will likely be unable to compete, so this factor is a key success factor.

3- Regulations/industry standards:

Write a list of regulations/industry standards in your specific business. A food product, for instance, needs to pass certain health requirements. Not meeting these requirements makes it likely that you will be shut down by regulators. Therefore, these requirements are considered key success factors.

4- Resource requirements:

Write your resource requirements to implement competitive strategy. For example, for a marketing campaign you will need to the the approximate cost and the number of employees needed. These are factors necessary to implement your strategy, so they are considered key success factors.

5- Technical requirements:

Write a list of technical requirements you need to build a competitive position. If you need access to particular technology to produce and distribute your product, this is a key success factor

2. How competitors of KFC help in making an idea of Big Filler? Was it market intelligence or market research which helped KFC to take this decision?

Ans: It was Market research that KFC help in making an idea of Big Filler as KFC was facing severe competition from its competitor regarding size of the burger e.g. BIG MAC Burger by McDonald, Foot Long Burger by Subway etc. The crux of the task was to design a campaign where KFC could stand out among competitors by offering something unique and out of the box. Therefore KFC's product development team came up with a new idea of introducing "KFC Big Filler Burger"

KFC conducted a research that what the competitors are doing in this regards. Research findings show that Big Mac by Mac Donald and Big Foot by Subway, have received a tremendous response from the market; especially from those customers who are focusing on the size of the product. For that KFC has developed a new product with the name of Big Filler burger. After the launch of this product, they again conducted a research and tried to explore the response of the customer regarding some particular attributes of the product.