

# Clover valley dairy case study – letter to charles krieger

Business



I have outlined below my talking on key points for your consideration. Before getting into the actual market test, I wanted to discuss and clarify on what is the actual purpose of this research. We have spent significant time and effort in coming up with the new multi pack carriers, for the new 6-oz product.

The oz product is a very successful product that has helped us increase our sales, and we want to ensure that all activities with this product are done properly, and not risking anything by implementing anything improper.

All in all, the main purpose of the research is to ensure that the new multi packs we are introducing will be a good and tragic move on part of the company, increase existing sales while bringing down the costs of packaging, and ensure that company objectives are achieved. The test should also be done with a select group of our target customer, so that risk of failure is minimized and feedback from customers can be addressed before rolling out the product to the entire customer group.

As we can see from the purpose, the problem we are trying to solve is finding out that the new multicasts are suitable for the 6-02 products and would be well received by the customers. If we have a confirmation as sees to this problem, we would move forward and mass produce the containers.

If the answer to this question is no, we would have to further investigate to find causes and ensure we address them to ensure we have the right packaging.

In regards to the terms of the design of the study, the design should be such that it is appropriate and would help in finding out the solution to the

problem. It should without a doubt be cost effective. Considering this, I would agree with your suggestion of having a much smaller test market to carry out the study, with primary research using real customers. Primary research would give us key Insights from real customers which can be acted upon, and as we are doing this with just a subset of the population it would be both cost effective and not risk overall product objectives.

This brings us to the larger question of whether the multipart should be tested at all, as Interest and employee family testing has shown it to be working and effective for the purpose intended. I believe that it is very important and critical that we have this test, as it would help us validate our assumptions and have feedback from real customers, insight that could prove very valuable and also prevent us from risk of failure and harming one of our very successful new products.

If we are going ahead with the test, we should also alternate. I agree on ten criteria that would measure success or failure of the testing. The criteria for success would be subjective feedback from customers that they like the new packing at least at the same level as the older one. Objective feedback for success would be that there is no loss of sales or increase of sales with the new packaging.

On the contrary, the failure criteria for this test would be sales of the product going down and customers not buying.

Other failure criteria would be subjective feedback from customers on drawbacks and negative points about the new packs that have to be

addressed before they are sold in the full market. Now coming to the plan you have outlined. I am in agreement and feel that it is a very good way we can approach this test. The test would help us to get into our suppliers with the new packaging, and test consumer reactions about the new packaging and get real time feedback that would be very useful in making the final session on the packing. I would like to suggest two things to add on to your idea.

I would suggest that we carry out the testing in about three or four outlets, as this would give us better coverage on customer types and also eliminate exceptions that could be typical of one type of customer in an area. I would also try and keep marketing research assistants right from week two, or even possibly week one so that we can have feedback early and throughout the process that would help us get a much better idea on aspects that are being tested. From a financial standpoint, it is always important that a cost benefit analysis is done to ensure that it makes business sense.

This market testing may cost us about forty to fifty thousand dollars, but in my opinion I feel this is money well spent as this is about getting our best product right and ensuring a successful future for the company. The value of the research far exceeds the costs and hence we should go ahead with the market testing.

I have outlined my thoughts above for your consideration. Look forward to discussing with you more on this and taking this initiative forward, that would be a key decision point in the future of the company. With Regards

Vince Roth

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