CONTENTS

Ill	ustrations	vi
Preface		x
1.	New Products in the U.S. Distribution System	1
2.	Key Participants in the New Product Introduction Process	_35
3.	Research Process	77
4.	Profile of New Products	93
5.	Modeling Acceptance and Success	125
6.	Applications of Acceptance Models	157
7.	Summary	171
References		181
Index		187

ILLUSTRATIONS

FIGURES

12
23
36
42
44
47
50
53
79
83
84
88
115
116
117
118
119
120

viii Illustrations

4.7	Percentage of New Products Accepted, by Presenting Firm Type	101
4.8	Percentage of New Products Accepted, by Presence of	121
	Marketing Research	122
4.9	Percentage of New Products Accepted, by Test Marketing	123
5.1	Part-Worth Functions of Profit Potential for Two Important Attributes: Hypothetical Products	138
5.2	Part-Worth Functions for Selected New Product Attributes for the Decision to Recommend	149
5.3	Index of Relative Factor Importance, Buyer versus Consumer	154
6.1	Computation of the Initial Decision by a Buyer to Accept a New Product	
6.2	Examples of Special Data Tables	159
6.3	Illustration of Logistic Regression in the Knowledge Base	168
	and the Miowied Base	169
TAE	BLES	
1.1	Cold Cereal Industry Market Shares	7
1.2	National Measured Media Expenditures for Grocery Products, by Category, 1988	9
1.3	Expenditures for Top Ten National Advertisers, 1988	10
1.4	Food Business Mergers and Acquisitions, 1988 and 1989	17
1.5	Grocery Store Sales, by Size and Ownership, 1988	19
1.6	Leading Supermarket Chains, 1987	20
1.7	Percentage Share of U.S. Grocery Store Sales Held by the Twenty Largest Grocery Chains, Census Years 1948-1987	21
1.8	New Food Products and Retail Store Space, 1970-1989	25
1.9	Retail Formats and Selected Characteristics, 1990	28
1.10	Gross Margin, Expenses, and Earnings of Food Store Chains	30
1.11	Financial Ratios and Return on Investment for Grocery	30
	Chains	31
1.12	Return on Investment for Selected Supermarket Chains, 1984-1988	00
2.1	Frequency of Buying Committee Meetings	32
2.2	Number of New Product Presentations Made to Retail Trade	57
	Buyers per Week	59
2.3	Decision Responsibility for Managing New Products	61
2.4	Additions and Deletions of Products for a Sample of Chain	
	and Wholesale/Independent Companies	62
2.5	Activities in the Product Introduction Process, 1988	69
2.6	Summary of Case Study Costs Observed in New Product Introductions	70

Illustrations		ix
2.7	New Products Bearing Health Claims, 1987-1989	72
3.1	New Items Meeting: New Product Decisions	85
3.2	Commodity Gross Profit Report	86
4.1	New Grocery Product Totals, by Category, 1985-1989	94
4.2	New Product Introductions, by Month, 1985-1989	95
4.3	New Product Totals, by Category and Month, 1989	96
4.4	New Food Products by Company, 1985-1989	98
4.5	New Food Product Introductions by Top Twenty Companies, 1985–1988	99
4.6	Total Warehouse Grocery Items, 1978 and 1987	100
4.7	Total Warehouse Grocery Items: Numbers, Sales, Movement, Margin Shares, and Average Price, 1987	102
4.8	New Item Contribution to Warehouse Groceries and Price/ Ratios, 1987	103
4.9	New Item Sales and Movement, 1978 and 1987	104
4.10	New Products as a Percentage of Total Category and Rank, 1978 and 1987	105
4.11	Selected Attribute Evaluation by Major Product Category, Mean Scores	107
4.12	Selected Attribute Evaluations by Individual Buyer, Mean Scores	109
4.13	Acceptance Rates of New Items Proposed, by Various Criteria	111
4.14	Acceptance Rates of New Items Proposed, by Various Attributes	112
5.1	Variables and Hypotheses for Actual New Products	129
5.2	Variables and Hypotheses for Hypothetical New Products	133
5.3	Results of Multiple Regression of Long-Term and Short-Term Profit Potential Judgments	134
5.4	Part-Worth Functions for Various Attributes of Hypothetical New Products Based on Profit Potential Judgments Using Multiple Regression Analysis	136
5.5	Estimated Logistic Model for Acceptance or Rejection of Actual New Products	141
5.6	Product Category Specific Effects in the Overall Logistic Model of Acceptance or Rejection	142
5.7	Predictive Validation Using the Overall Model	142
5.8	Classification Accuracy of Logistic Models for Accept and Reject Decisions	145
5.9	Part-Worth Functions for Various Attributes of Hypothetical New Products Based on Accept-Reject Recommendation Us- ing Logistic Regression Analysis	146

	Illustrations

5.10	Profiles of New Products Accepted by Buying Committee versus Accepted by Consumers (Marketplace), Two Years after Introduction, by Major Attribute	152
6.1	Comparison of Actual Decisions versus Computed Probabilities of Acceptance for Selected New Products	162
6.2	Illustrative Computations of Acceptance Probabilities for Selected Changes in Vendor Offers for Four New Products	164
6.3	Detail of Data in the Product Decisions Database	167
EXI	HIBITS	
2.1	What's in a Name?	40
2.2	Who Attends the New Product Presentations?	60
2.3	Notification to Vendors of Retailer's Policy on Slotting Allowance and Failure Fees, 1989	65
2.4	Discontinuation Policy of Retailer for Failed New Products	66
2.5	New Product Lines and Health Issues	71
3.1	Buyer's Evaluations of Hypothetical New Products: Ranges for Each Attribute	
7.1	How Can Suppliers Become More Knowledgeable about the Specific Needs and Preferences of Their Various Retail Customers?	89
7.2	An Illustrative Survey of Trade Buyer Practices in the New Item Evaluation Process	175 178