NEW PRODUCTS AND CONSUMER ACCEPTANCE:
A QUALITATIVE ANALYSIS

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INTRODUCTION

In the process of developing a product for production and marketing, most industries have concentrated upon improving the technical excellence of engineering which goes into a product. What has not received sufficient attention is the product suitability to human wants, perceptions, and other behavioral elements. Both in the product itself and in its marketing, adjustments must be made for the people who will actually use the product, so as to improve satisfaction. But more than this must be accomplished to insure complete success. True concern for following a complete and objective approach would result in an orientation of the whole process around the consumer. He should be the center of attention in the development and marketing of new products. The resulting product would be one that would suit the tastes, satisfy the wants, conform to the attitudes, values, norms, and other qualitative variables of the consumer make-up. Following this approach to new product development and marketing implies marketing research into buyer behavior. However, before such research can be undertaken, the marketing manager must recognize that certain social science areas are relevant to new product acceptance.

In the discipline of psychology, the areas of needs, perception and learning are directly related to new product
acceptance. In sociology, reference groups, intra-groups behavior and culture contribute explanations of human behavior. These explanations could assist marketers in efficiently introducing new products.

The subject of this paper is twofold: first, the people everywhere who purchase new products and their behavior, and secondly, the new products themselves. Each subject will be viewed from limited standpoints. The purchasers and their behavior will be studied only from the view of the areas of psychology and sociology designated above. New products will be viewed from the standpoint of their adaptation to buyer behavior.

In summary, then, the purpose of this paper will be to develop a relationship between the psychology and sociology of buyers and the success or failure of a new product. This analysis should set the stage for more objective thought on the design and marketing of satisfying products. It is contended here that the success or failure of a new product is a function of the psychology and sociology of the consumer in the marketplace. The more the marketer understands about the psychology and sociology of the buyer, the greater his chances of success with the new product.

The previous paragraphs indicate that the scope of the discussion will be limited. It will include only selected areas within each of the areas of psychology and sociology. The areas chosen as subjects are not intended to provide a
complete explanation of either science. They are not the only areas, nor is this the only arrangement which could be used to explore basic human behavior. However, a larger discussion would change the purpose of this paper.

The purpose of this paper is, again, to select and analyze key areas of psychology and sociology which relate directly to behavior during the buying process. The following description of buying behavior points out the importance of these selected areas of study.

The process through which a buyer progresses during the act of purchasing new products is basically a composite of needs and knowledge. These two elements appear to stimulate each other to produce a cycle. First, a general need exists. Then a prospect becomes aware that some product exists to satisfy this need. This is the initial stage called the awareness stage in which the knowledge element is vague and skimpy. By this scant information the need is strengthened for the specific product. This restimulates the search for knowledge to create the interest stage. Here, more advanced knowledge becomes acquired. Then, uncertain as to satisfaction with the entire product, a buyer is driven to evaluate it. This is the evaluation stage. In it, buyers judge the advantages and disadvantages to determine if the whole

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product is beneficial. In relation to new products, these first three stages are the same except that buyers are likely to remain in the process longer in order to accumulate and evaluate knowledge. After a buyer reaches the point where he wants to actually experience a product in use, the **trial stage** comes into existence. For new products this stage is almost a requirement to demonstrate and verify performance claims. Finally, if the facts are verified adoption is eminent in the **adoption stage**.

What is desired from the discussion is to develop an understanding of the influences to which an individual is subjected by his own mind and by his relationships with others. These influences occur during the process of buying described above as well as at other times.

Specifically, the particular psychological topics of needs, perception and learning were chosen because: (1) needs are the beginning of all human activity and therefore, they become the ultimate reason to which all other elements of human behavior can be traced and in terms of which they may be explained; (2) perception is discussed to give recognition to modifying effect needs have on a buyer's ability to receive a communication about a new product. Finally, learning is discussed to emphasize that what is new, is that which is not known, presently, and therefore must be learned. Consequently, prior to desiring a product a knowledge of it and its abilities to satisfy must be gained. This means
buyers must, first, learn, in order to re-orient themselves to new things. Thus, needs are at the core of the human act and in fulfilling those needs, learning must take place and it must develop through the restriction of perceptions.

Sociologically, the two selected areas of (1) culture and (2) groups, are emphasized. Culture is emphasized, because it represents the broadest possible influence, which social activity has upon a buyer. It causes buyers to use certain standards to hold certain beliefs, to follow certain customs, laws and rules, etc., which are prescribed by an arbitrary agreement between men for their common good.

Groups are similar in effect to culture, but they are more limited in scope and maintain more specific influences on members. Thus, groups impose standards, rules and norms upon members which are more restrictive but which likewise must exist to promote the accomplishment of common objectives. Groups are important because they are a source of explanation for the more immediate influences of a sociological nature. Since groups vary from culture mainly in their size, then the number of buyers they influence and the degree of their influence is smaller but more concentrated.
CHAPTER I

PSYCHOLOGICAL INFLUENCES:
NEEDS, PERCEPTION AND LEARNING

A logical approach to marketing new products includes an understanding of the relevant areas of psychology. In this study, three areas of psychology have been selected as relevant. They are: (1) needs, (2) perception, and (3) learning. In this order, their interdependency is most obvious. Needs determine perception and perception, in turn, determines the ability to learn. Effectively, the outlook a person has on life and the specific areas in which he is most likely to learn are dependent upon the needs he experiences at any single, given moment in time. So, needs provide a logical and convenient subject with which to initiate a discussion of buying behavior.

Needs

A definition of a need is that it is the absence of something which is perceived as satisfying and, therefore, is desirable to possess. The more basic the unfulfilled desire, the stronger it is. Marketing a new product, begins when a need is brought to the level of a person's conscious attention. Before the dormant needs within a person are transported to the surface of conscious human experience, no market problem
A. H. Maslow has long held the reputation as a leader in the area of need theory. Of all the need theories, A. H. Maslow's need theory is the most complete and appropriate. He classifies needs into five categories: (1) physiological needs, (2) safety needs, (3) love needs, (4) esteem needs, (5) self actualization needs. In his analysis, Maslow explains that these categories of needs are arranged in a hierarchy. In ascending the hierarchy, one experiences basic needs first, followed by higher level needs. As a precondition for a need to become an active, motivating force, the need below it in the hierarchy must be fulfilled.1

The basic, physiological needs include such classic items as hunger, thirst, sex, etc. Physiological needs Maslow states, "undoubtedly ... are the most prepotent of all needs."2 In this statement he intends to point out that the appearance of other higher level needs, such as self actualization, depends upon the prior satisfaction of these physiological needs. Those next in the hierarchy, the safety needs, still remain secondary, while, for example, hunger dominates the organism. In essence, then, "the receptors, effectors, the intelligence, memory, habits, all may be now

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2Ibid., p. 124.
simply defined as hunger gratifying tools."³

Following physiological needs satisfaction, safety needs become the basis of one's behavior. Behind the desire for safety, is simply a search for stability and a "preference for the familiar, rather than the unfamiliar or for the known, rather than the unknown."⁴ Then, come the love and esteem needs which require that people maintain affectionate relationships with others and obtain others' respect through real achievement. Finally, self actualization needs indicate that a person desires to develop fully, his abilities by becoming what he is potentially capable of being.⁵

To United States marketers, Maslow's hierarchy of needs is an important concept of which they should be aware. Ascending levels of needs is an ever-increasing phenomenon in the United States consumer markets. Basic needs having become satisfied, the obstacle to gratification of higher needs has been removed. The social needs show an extremely rapid expansion in the area of leisure-time activities. People are always "craving for companionship, popularity, and a good time."⁶ So, in accordance, companies should be designing new products which appeal to people with aspirations to higher needs.

³Ibid., p. 122.
⁴Ibid., p. 127.
⁵Ibid., pp. 131-132.
A common misconception of needs in applying such theories to advertising or other sales promotion activities, is the belief that only a single need underlies any given behavior. This is not true in reality. Rather, it must be emphasized that there is an extremely complex set of needs existing beneath the surface of the act. Many research consultants are hired to seek out the single need motivating buyers to purchase a particular product, despite the evidence to the contrary of the existence of more than a single need. 7

What objectively should be sought is a meaningful explanation of behavior through multiple needs present in a buyer when he purchases a particular product.

Why People Want New Products. Often, it is asked why do consumers need new products anyway? Why can they not be satisfied with what they have? The answer lies in the fact that humans of the twentieth century are experiencing three new sources of needs which were not as prominent in past centuries. They are the needs created by (1) time, (2) taste, and (3) trustworthiness. 8

How Leisure Time Creates Needs. The rapid expansion of needs in the leisure-time categories, is a consequent result of the vast increase in 35 to 40 hour work weeks. Buyers have


more time on their hands. They must plan to use it in the most satisfactory way possible, if they are to be content with themselves. These consumers constantly thrive on new products. They use them and taste of the gratification they provide over previous products. This encourages the leisure-time interest to grow. It grows beyond the extent to which the job can provide free time. Consequently, the search is on to find products which will cut the time spent in labor around the home. One thing leads to another, and again they have more time on their hands. Now, the objective is to fill the time which has been saved.

Perpetuating the cycle requires new products which can save time, and new products which can fill time, and some which can do both. By saving time, the desire is to avoid fatigue and liberate the mind from pressure. This allows man time to improve himself in other areas besides his work and it allows time for citizens to improve the world they live in.

Frequently, the time source of needs results in the improvement in tastes, too, which can be another source of need in itself.\(^9\) The more time man has at his discretion, the more needs he can satisfy. Following Maslow's theory of a hierarchy in needs, the more needs which become satisfied, the higher the level of needs to which man aspires. When

\(^{9}\textit{ibid.}\)
buyers reach a level of satisfaction, they usually try to stay at or improve satisfaction beyond it, if possible.

Thus, improving taste is fast becoming a prime ingredient in selling new products to United States markets with leisure time interests. In no other period of history, has there been so wide an interest in "increasing education, reading, traveling, the amount of discernment and taste. People will demand in a new product, a level of style and design consistent with the growing cultural exposure,"\(^\text{10}\) as a result of this interest.

A third source of needs for new products is trustworthiness. In the process of satisfying the time and taste needs, buyers often experience the nuisance of breakdowns. Persons who have experienced this frustration, are hunting for new products which are new because they are reliable. Such products satisfy a general need of dependability in use. Thus, generally, the more reliability in a new product, the more it suits one's taste and the more it can save time or fill time.

**Significant Trends In Needs.** In summary, it is appropriate to note the types of needs which appear to be developing now, for future satisfaction. The following trends are indications of the general direction in which wants are heading in the United States.

\(^{10}\)Ibid.
1. The trend toward convenience.

2. The desire to look and smell better.

3. The desire for personal health.

4. The diet trend.

5. The trend to informality.

6. The trend or desire to express oneself creatively.

7. The increasing level of taste.

8. The desire for products to suit the tastes of smaller special groups of people, e.g. elderly. 11

The convenience trend brings to mind the easy to pour, easy to handle, easy to carry and easy to use products. We have all seen them multiply on grocers shelves, on drug counters and in many other stores. The desire to look and smell better is difficult to overlook, in the presence of so much advertising on radio and television media for cosmetics. 12

The six remaining trends in needs are equally obvious. All of the trends represent an aspiration to higher level need satisfaction.

Maslow has stated that it is necessary in his hierarchy for basic needs to become satisfied before attention is turned to higher needs. In the United States few basic needs require increased satisfaction. Thus Maslow's theory seems to...


be verified by the current striving to fulfill a whole new set of higher level needs. Indications are that attention to these trends may provide the key to a fresh array of successful products.

Perception

Perception is a second area of psychology which exerts an extremely wide influence on the innovative process. However, it cannot be studied independently because of its interrelationship with both needs and learning in determining buying psychology.

Perception defined. Perception can be defined, simply, as an individual's personal view of the world. A more precise, academic definition states that perception is a "result of complex patterns of stimulation plus past experience and present attitude"\(^{13}\) combining to form a specific outlook on the world. The important point to understand about perception is that it involves some sort of limiting process which screens incoming stimuli from the world. In doing so, it permits the influence of certain stimuli to reach the consciousness, while it rejects the influence of others.

Perception and Learning. As a process it is, consequently, a direct determinant of the type and amount of learning a person can experience. Since learning is so highly dependent

upon the cues perceived in the environment and upon the stimuli screened in or out during an individual's thought processes, perception can actually permit or prevent learning.

Perception and Needs. A vital link between learning and perception is provided by the need area. Needs explain why perception for an individual is what it is. Since needs vary, sometimes immensely between individuals, perception will vary concomitantly to suit the existing needs. Buyers all seek to satisfy these needs and in the process consciously or unconsciously they delimit the number and kind of stimulants to those which are important to satisfying their needs. "In common sense terminology we see what we want to see." On that basis we can say that we learn what we want to learn.

As a simple example of how wants influence perceptions, an observation was made from a psychological study, that "children from poorer homes, when asked to draw a quarter, drew a bigger than actual one." The poor children's view of money was distorted by their need for it or the lack of it in their environment. Another common example is that of personal needs influencing the choice of an automobile. A perception of certain cars as attractive depends upon how well they

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14Ibid., p. 136.

satisfy the voids in a person's life. In terms of need, again it is the need for the freedom and glamour of modern cars which colors the perception of the Negro for flashy, sporty designs in his automobile. Such a view is expressed by Reisman and Larabee in the statement that for the Negro, "the bulbous, Detroit product is his first victory over Jim Crowed trains and buses, not to mention a substitute for decent housing." According to them, it is also true that luxurious cars reach into the perceptions of "factory workers to whom a car offers freedom not only to change jobs but also, to compete with the foreman for status satisfactions that the job does not provide." Both of these examples indicate the function of perceptions as that of a door to the channel of need satisfaction, which is open only to suitable means of satisfying these needs. Like many other things, automobiles have characteristics which satisfy a multiplicity of needs. Besides transportation, auto manufacturers have widened their image through design to include satisfactions of status needs, power needs and glamour needs, to mention a few. The wider the number of needs it satisfies, the wider the perception people have of it and, consequently, the larger the market.


17 Ibid., p. 81.
As an example, the arrangement of a line of automobiles can include everything from just plain transportation to sporty or luxurious models. If a utilitarian buyer shops the line, his attitude and past experience would case him to disregard, as useless, anything more in a car than mere transportation. However, a buyer at the other end of the line, would consider just plain transportation as tasteless, and thereby attach importance only to the first class luxurious models.

**Perception and Selectivity.** People select what they want to hear and see, and retain in their memory what they find pleasant to remember about their experiences. These two phenomena are known as selective attention or exposure and selective retention.¹⁸

Selective attention results from attitudes of a narrow minded variety. The more narrow the attitude, the more concentrated the attention is. Selective exposure has its biggest impact as an avoidance process in human behavior. People simply avoid all contact with that which is not in close agreement with their own frame of reference. Selective retention, however, is determined by the degree of pleasantness associated with a particular experience. Selective retention is best exemplified by the easy forgetfulness of unsympathetic and unpleasant experiences.¹⁹

Any behavior of a selective nature makes communications about new products difficult to develop. It prevents

¹⁸Howard, op. cit., p. 137.

¹⁹Ibid.
knowledge related to something new from entering the mind. The reason is that perception selects knowledge which is desirable and rejects knowledge which is not. Knowledge received is desirable if it assists in satisfying needs. The objective of new product promoters should be to overcome perception by providing a need arousal and a product to satisfy it.

The idea is to present the new product communication so that it falls within the category of the familiar and desirable. In various ways the barriers of perception must be subverted. Repetition of a theme can imprint on the memory a thought which eventually will become consciously evoked by a need. A direct approach is the employment of attention getting tricks of surprise, humor and others. This should be followed by the injection of a need arousal and a product to satisfy it. Understanding the principle behind perception is as simple as realizing that people re-arrange all stimuli received into a context which is consonant with their present needs.

Perception is a limiting activity of human minds which is determined by needs and which limits the amount and type of learning. Perception is the link between needs and learning.

The Psychology Of Learning

Learning is the initial adjustment behavior required when new products are being purchased. When something new arrives on the market, knowledge about the product is
required to convince people to change. Thus, by the very fact that knowledge is involved, learning becomes an inherent part of change situations. When change does occur, individuals will be required to adjust their attitudes and modify present habits, at a minimum.

**A Definition of Learning.** To set real learning apart from all similar phenomena, we must define it clearly. A definition which does so, is one which describes it as a "process by which an activity originates or is changed through reacting to an encountered situation, provided the characteristics of the change in activity cannot be explained on the basis of native response tendencies, maturation or temporary states of the organism [for example fatigue, drugs]." Therefore, the distinction between learning and other processes of reacting to stimuli is that learning has a permanency, and it is not an automatic process. Consequently, learning implies an active process, rather than a passive one and it results in something of lasting character.

**The Theory of Learning.** Three types of learning theories are generally accepted: (1) the stimulus-response theory, (2) the stimulus-response-reinforcement theory, and (3) the cognitive group of learning theories. Of the three, the

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second appears to be the most usable for new product acceptance analysis.

The reasoning behind the choice of the stimulus-response-reinforcement theory is as follows: New products require a purchaser to acquire new understanding. Such understanding requires real learning. The sign of real learning is permanency. The only theory which contains an element of permanency is the second one, including a reinforcement step. Reinforcement is the distinguishing factor.

This stimulus-response-reinforcement theory accents four main elements. They are: (1) drive, (2) cue, (3) response, and (4) reinforcement. The drive develops from a need as previously discussed. The cue is a particular sign attached to each product. The cue evokes the response in the presence of this drive to obtain the product. If the subject actually experiences the expected reward, the response becomes reinforced. Upon reappearance of the drive the same response will likely occur by reason of this reinforcement.22

The same learning theory when applied to the buying process is similarly explained. In purchasing a product, first of all, some motivation is required for the subject to become interested in the product. Usually, development of a desire arises from two sources. First, within each one of us a

22Zaltman, op. cit., p. 20.
tension which is rather general in nature builds up. The
pressure from this tension within us forces a general search
throughout the environment for a release from the tension.
Both consciously and unconsciously, we tend to improve our
ability through this search to specify the need we want to
satisfy. At this point, a second source of desire, more
specified in nature, enters the subject's search. This is
product promotion, advertisement and personal selling.
Marketing's initial step is to create specific needs out of
these general tensions. It uses stimulating copy and sales-
men to do so.

Now that the marketer has succeeded in arousing the
general interest of a buyer in a satisfaction which seems to
fit his needs, he must provide a link between this need and
his particular product. This is accomplished by cuing the
product. That means deciding upon a representative char-
acteristic in a product which buyers think of when experienc­ing a need for it, and then emphasizing this characteristic
in advertising. In doing so, a product is tied to a specific
need. If the process of cuing were left out, then chance
alone would lead a person to a product. What has been accom-
plished up to the point of cuing is to create a knowledge in
a prospect of what, specifically, he was responding to. If
left in such a state without further specification toward a
product, a prospect would have an equal attraction to all
other similar products.
Thus, the element of cuing is critical to the process of learning about a product in particular, rather than some other, and consequently, it is critical to the eventual use of a product. A definition of a cue may help to clarify its nature. A cue is merely some "distinctive characteristic of a product or innovation." For example, a cue could be the first thing one contemplates when he thinks of a candy bar, that is, sweetness. The more one thinks of this quality, the larger his appetite grows for it, until it evokes the required response of driving to the drugstore, buying a candy bar and consuming it. The particular kind of candy bar purchased will be the one which was cued in the mind with sweetness. Thus, for prospects to learn quickly about a product, its distinctive characteristics must be emphasized in designing successful advertising and promotion. These cues ease the difficulties of new product introductions. After cuing has occurred, the prospect sees the cues as the means to reducing the drive. A response is made on the basis of the knowledge that cues provide, that a product they represent is satisfying to a present need.

In logical order, a response stage comes into the process after the cue stage. The response denotes a stage wherein the potential buyer acts with all means at his

\[23\text{ibid.}, \text{p. 21.}\]
disposal, to obtain the most satisfying product.

The final step, reinforcement, is equally as critical as cuing. Reinforcement gains its importance as a key stage due to its potential for stimulating a repetition of the same response, when the same need is experienced again. If users experience the satisfaction which they expect, reinforcement takes place. It involves the imprint upon the memory of a specifically favorable impression toward the product. As a result, a similar need, later experienced, will evoke the same response. As the response is repeated and the same gratifying effect is realized, the process begins to develop into a habit.\(^{24}\) In summary, then, Zaltman explains that "learning occurs when a repeated reinforcement of a response, triggered by cues, causes a more or less permanent change in an individual's behavior."\(^{25}\) The permanent change to which he refers is habit.

**Learning and Habits.** After analyzing the process by which people learn, an understanding of how habits come into play follows much more easily. First of all, a distinction must be made between the two main types of activity carried on within the human mind. As complex as human thought processes are, they still can be classified into either of two general categories: either (1) cognitive, or (2) non-cognitive.

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To explain habits one must first explain what is meant by cognitive activities. Among the various faculties within the mind, there are some which involve a rather manual process, as opposed to an automatic one. These are known as cognitive in nature, because they engage the thought processes consciously. Those which are automatic and almost unconscious are the habitual or non-cognitive categories of activity. Since habits frequently result from learning, learning must begin as a highly cognitive process, and result in a tapering-off toward a rather non-cognitive process. With the repetition of an activity, it finally becomes habitual. We can, therefore, define a habit as an almost automatic response to a particular need arousal. A habit's importance in this discussion is based upon the recognition of a need to destroy present habitual acts in order to successfully enter an existing market with a new product. Habits become an important topic within the expanse of learning, because they often present formidable barriers to capturing the attentions of presently satisfied customers. Successfully convincing people to break a habit, depends upon the strength of force used to break it and upon the strength of the habit itself.

If an equal or stronger reward is offered to offset the

26 Bayton, loc. cit.
27 Ibid.
habit's reward now being experienced, some inroads may be made toward its destruction. "A basic problem in learning is initially obtaining the appropriate response, so that the response can be rewarded." When this appropriate response is found, then, buyers experience an increase in their ability to discriminate between similar products, and then a buyer's tendency to generalize is reduced. As long as a person continues in his habitual response to a need, he will generalize that all other responses are less than satisfactory in their reward. When he becomes convinced that another response is more rewarding, a habit is no longer obstructive to change.

In summary, it should be stated that it is important to realize the deep interrelatedness between the three areas of behavior analyzed. Also, it should be remembered that to the people behaving, there is no distinct compartmentalization of these activities of needs, perception, and learning. They are, in reality, quite intermeshed and we can only partially understand them when such an artificial separation is necessary. Whenever we observe the buyer in the art of buying a new product, all three of these elements are present to some degree.

The needs immediately specify perception through which

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28 Howard, op. cit., p. 106.
29 Bayton, loc. cit.
learning must take place. Need, therefore, indirectly
designates what knowledge will be available to the conscious
mind for learning.

For marketing, such understanding of behavior supplies
an invaluable aid to efficiently appealing to consumers to
overcome habits and respond by purchasing our product.
However, since the psychology of buying concerns itself with
individuals only, this understanding cannot be realistically
complete. The social nature of buyers dictates an inquiry
into the sociological influences upon a consumer’s behavior.
CHAPTER II

SOCIOLOGICAL INFLUENCES:
CULTURE AND GROUPS

By describing the content of this chapter as "Sociological Influences: Culture and Groups" the author does not intend to imply that culture and groups constitute a complete analysis of the subject. An exhaustive examination of the science of sociology would reveal that culture and groups are an important part of a much more complex structure of relationships. The reasons for choosing these two influences within sociology have been stated in the Introduction. To refresh the reader it was stated that culture is emphasized, because it represents the broadest possible influence which social activity has upon a buyer. Such a large, all-surrounding influence can explain some of the complex patterns of buyer behavior from a macro viewpoint. Groups, at the other extreme, explain these patterns from a micro viewpoint. Groups represent an important influence because they maintain more specific controls over buyers than any other social element. The direct and immediate impact of groups upon buyer behavior create quickly observable results of a concrete nature in product purchases. This fact does not
alter the reality of culture's influence. Culture is a phenomena in which we are all continually immersed and if an effort is not exerted to recognize this consciously, it will seem too remote an influence to consider. Both phenomena, groups and culture, are realities seldom observed in detail when planning and offering new products to consumers. Since this is a contributing cause of product failure, the lack of attention constitutes a third reason for choosing these particular social elements.

Introduction

Psychology is Incomplete. Psychology alone cannot provide a complete explanation of human behavior because it deals with the individual behavior of buyers only. Until we remove buyers from this isolation, and view them as group members, this qualitative study is not complete. At this point, sociology should be investigated as a source of explanation for behavior.

Culture and Groups

Within the boundaries of the sociological framework lie two important influences: (1) cultural influences and (2) group influences. Classically, culture is defined as "that complex whole which includes knowledge, belief, art, law, morals, custom, and any other capabilities and habits acquired by man as a member of society."¹ Culture is by no means a simple concept, but what it is in essence, is a consensus among men "on a set of ideas, attitudes and

¹Zaltman, op. cit., p. 7.
habits," developed, to facilitate their common "conduct of life." So extensive is culture's effect on innovative acceptance, that, if it was disregarded in a product's design and promotion, the product and consumer attributes would be too remotely related to expect anything except token acceptance. Such an incompatible relationship of characteristics can be avoided. In fact,

If we know what a society's culture is, including its particular system of values and attributes, we can predict, with a fairly high degree of probability, whether the bulk of its members will welcome or resist a particular innovation.

In designing the characteristics of a new offering concern must be had for the pressures it must endure in the culture into which it will be introduced. One manner in which these pressures can be determined is by determining the "dominant influence" in the culture.

The Dominant Influence Approach. Probing for the "dominant influence" in a culture, is done in order to describe the culture as a function of its prime mover. Some classic examples of the dominant influences are disclosed by these cultural types of society:

(1) A "patriarchal society" is one in which the dominant male adult sets the thinking and mores of his family.

2Ibid.


The theory is that the reaction of the father of a family in this type of culture determines, and often is exactly the reaction of, the remaining members of the family. Any product or innovative idea in this culture, which is irreconcilable with the patriarch's ideas or mores, exposes itself to the hazard of alienating the patriarch's followers, too.

(2) A "theocratic society" is one in which the priest determines the acceptance of the masses.

(3) In an "aristocratic society" the royal court sets the pace of acceptance.

(4) In a "matriarchal society" the women prescribe the pattern of approval or disapproval.5

Two Applications

In modern cultures, there are various applications of the dominant influence approach. Two of these which are of significance are: (1) the opinion leader theory and (2) the tastemaker theory.

Opinion Leaders

It has been suggested by Dr. Paul Lazarsfield that 20% of a community's population may be classed as "opinion leaders."6 These are people who think and act as the general public will think and act in later years.

5Ibid.

6"Predicting Consumers Needs: Can Tastemakers Point The Way?", op. cit., p. 23.
The Tastemaker Theory

The second application developed by the Opinion Research Corporation is the "tastemaker theory." Its basic hypothesis is that the "central thread of modern society is mobility. The leadership elite is that group of people who possess that quality in greater degree than do other people." Consequently, the Opinion Research Corporation postulates that if the future needs of the masses are indicated by the present "leadership elite," then accurate information about the leadership would be valuable in marketing new products.

After the information on the leadership groups was compiled, it revealed these following facts:

1. They travel and change residence more often.
2. They show more movement through the occupational structure.
3. They are more likely to change their economic status.
4. They associate with a wider variety of people of different types and professions.
5. They move through educational levels and institutions.
6. They move through more intellectual influences.
7. They are more selective and variable in their politics.
8. In these various dimensions they have moved a greater distance from their families of birth.

7 Ibid.
All of these points direct attention to the mobility characteristic of tastemakers and they also indicate that they are more knowledgeable as a result. Knowledge assists a buyer to make a decision, and evidently tastemakers possess enough more of the facts to quell the fear of a loss in satisfaction resulting from a purchase. Traveling, living in diverse communities, meeting ample varieties of people, becoming educated and surrounding oneself with intellectual influences, all combine to produce a knowledge advantage over the average consumer. In satisfying his needs the tastemaker is more proficient at choosing between marginally innovative products and honestly unique designs. Eventually, sufficient knowledge will filter down to average consumers making the same buying decisions now feasible on the mass market level. In order for companies to become informed as to prospects for their new product's success, it remains necessary only for them to examine its success among tastemakers. As an indicator, the rate of acceptance among tastemakers can determine the prospects for total popular approval. On these bases, decisions can be made more speedily on pulling a product off the market before costs become too exhorbitant. Also, decisions can be speeded up enough to prevent a product from ever wasting its time on the market in the first place, by stopping the costly introduction of a failure. Thus, culture imposes a dynamic, expansive, slightly remote influence which is quite real and constantly present, even
to the buyer most unaware of its importance. Ignorance, however, on the part of a marketer, has unpleasant ramifications assigned to it.

Groups and Their Influence

Groups are classified into two varieties: (1) formal groups and (2) informal groups. Formal groups contain vastly more "planning, explicitness and observability of such properties as structure processes, and objectives." Informal groups are rather loosely structured with minimal planning involved, and their objectives, structures, and processes are not as explicitly defined. As a consequence, formal groups may be easier to appeal through, because their specifications are more detailed, formally, and thereby easier to pin down for study.

A Definition of Groups. It is appropriate, initially, to arrive at a definition of groups. In general, a group can be defined as a collection of individuals interacting with one another for the accomplishment of, at least one common good. Groups are more than a mere congregation of individuals in one place. The quality of interaction is not the only remaining necessity, either. Groups must also be based upon some rather stable and predictable relationships between members in order to accomplish the common objectives set up. 


10Ibid., p. 108.
Groups and Cultures. In relating groups and cultures, it can be simply stated that a group is a subculture and in that capacity it is a subordinate component of a culture. As examples of groups which are obviously subcultures we have "the Negroes, the industrial purchasing agents, teenagers, professional athletes, housewives with large families, and Hollywood movie stars"\(^{11}\) to mention a few. Cultural and group influences are hardly separable components of a society where culture filters into all the subcultures and the subcultures, united, form the culture. Cultures and subcultures are both social systems, residing on two different levels of abstraction. The diffusion of innovations, about which we are concerned, passes through both these levels of social systems. In a sense, the topic which we are really discussing here is social systems, because it encompasses both study areas, \textit{viz.}, groups and culture.

A definition of a social system is very similar to a group's definition. Social systems are Defined as a population of individuals who are functionally differentiated and engaged in collective problem-solving behavior. Each of the members in a social system can be differentiated from the others. All members cooperate at least to the extent of having some common problems which they are seeking to solve.\(^{12}\)

\(^{11}\)Zaltman, \textit{op. cit.}, p. 7.

\(^{12}\)Rogers, \textit{op. cit.}, p. 12.
This description of a social system is helpful because it points out that to have a social system members must at least possess one common objective for which they are working together. Without this all that is present is a mere collection of individuals. To work for one common aim means that members must make decisions in common, too. The buying decision concerning new products is the special decision of interest in this paper.

To sociologically analyze the spread of new product acceptance, we must analyze the total process of diffusion of innovations which includes social systems among its four component elements. They are: (1) "the innovation" itself, (2) "its communication from one individual to another, and (3) in a social system and (4) over time."\textsuperscript{13} The element of innovation is, simply, "any new idea . . . for example social movements, clothing fads, the twist, compact cars and the steel axe."\textsuperscript{14} Next, the innovation's communication is critical to the spread of the new product. A determinant of the "conditions under which A will tell B about an innovation . . . [are] the social relationships of A and B."\textsuperscript{15} To understand these social relationships, our knowledge of social systems becomes useful. Because the communication of the

\textsuperscript{13}Ibid.

\textsuperscript{14}Ibid., p. 13.

\textsuperscript{15}Ibid.
idea must take place through these social relationships within the social system, a decision of acceptance by a member must be influenced by these interactions, to varying degrees, of course.

In fact, it is important to note that not all decisions are made by all members, but only those decisions are group decisions which are directly related to the group's objective. In this respect, it is demonstrated by Rogers that people adopt new products under a range of decisions, which vary from a personal choice to a complete group action. An observation should be made that members do not object to group decisions. This is because members possess some common objective, which as individuals, they cannot accomplish, but which they can accomplish as a group. So, there is a stronger reason for members to be in a group rather than remain outside it. Logically, marketers should recognize the futility of appeals which run contrary to the influences of the group.

Roles and Status. The influences of the group which are of interest to new design promoters, are those underlying forces, within groups, which set up and maintain the dependable and permanent alliances among members. These include roles, status, and norms as the most significant. A role is defined as a function of group expectations. Formally, we

16 Ibid., p. 14.
define it as "expectations group members have in common concerning the behavior of a person who occupies some position within a group."\textsuperscript{17} A status is a "position occupied by the individual within a group relative to other members."\textsuperscript{18} Both role and status are important restrictions placed upon members. They must be taken into account when attempts are being made to influence a member, favorably, toward the adoption of a new product. If a product is consonant with the expectations of the position a person occupies, it is quite likely that it will be acceptable. It will be further acceptable, if it reinforces the status assigned to that position.

Norms. Norms evolve as the most important of the three underlying forces. They consist of "an agreement or consensus of the group members concerning how individuals in a group should or should not behave."\textsuperscript{19} It is meaningful to understand that norms are not simply ideals, but, that they constitute something akin to legislative decrees. "People are expected to comply with them as regularly as they are expected to comply with laws against murder and theft."\textsuperscript{20}

\begin{itemize}
\item \textsuperscript{17}Zaltman, \textit{op. cit.}, p. 76.
\item \textsuperscript{18}Ibid.
\item \textsuperscript{19}Litterer, "Analysis of Organizations," \textit{loc. cit.}
\item \textsuperscript{20}Ibid.
\end{itemize}
As a consequence of their social nature, people constantly subject themselves to group influences such as norms, roles and status. The prime objective of this sociological analysis is to expose these beneath-the-surface pressures which people voluntarily or otherwise impose upon themselves.

Any marketer who proposes to overcome norms, roles and status implications is foolish. Employment of hard-sell, promotional tactics, will reveal that the chances of group members deviating from norms, or ignoring roles and status, are small.

**Reference Groups.** Two categories of reference groups emerge from general group theories. They are the member groups and the non-member groups. For each person, some of his reference groups fall under the membership type and others under the non-membership type. First, reference groups must be defined. "A reference group is one that people have in mind when forming individual opinions, attitudes and beliefs. It is the actual or imagined set of people one uses as a model, usually those one wants to be approved by."\(^{21}\) Thus, both membership and non-membership groups could qualify as reference groups. This depends upon whether the individual is aspiring to maintain alliances within a group of which he presently is a member, or, if he is desirous of membership in a group to which he does not presently belong. Both are

\(^{21}\)Zaltman, *op. cit.*, p. 76.
essential influences upon a buyer, while he is making a decision to specify the particular way he will satisfy a need. The further specifying details, such as the color on a car or the size of engine in it, all of which optimize owner-user satisfaction, are also influenced by reference groups. The optimum satisfaction means that, socially, an individual will receive approval from that group which is held important.

Reference groups center around norms, because norms are a person's existing values as they are exemplified in a group. Therefore, an attempt to counteract norms, necessitates value changes and attitude - role shifts, which finally produce a new reference group entirely. Realistically, it is not practical to expect such changes. From a sociological and modern marketing viewpoint, reference groups should be respected and new product appeals should be made through the existing "group whose norms, roles and status structure most affect the consumer opinions, attitudes and beliefs."22

Since reference group norms are the deciding factors in matching marketing strategies to a new product consumer's social needs, it follows that the members who adhere most to those norms are the best indicators. Within reference

22Zaltman, op. cit., p. 77.
groups, there are varying degrees of importance placed upon the whole set of norms. It has been determined that, "opinion leaders conform more closely to social system norms than the average member."23 In fact, as Homans stated it, "the leader must live up to the norms of the group - all the norms - better than any follower."24 So, the opinion leaders must be the most dependable indicators of the group norms.

Logically, the, successful products should embody the characteristics favorable to a group's norms. This would constitute a most reasonable approach toward solidifying acceptance in an existing market segment. What was previously stated about culture also applies to the norms of a group. If we know the values of a group, we can predict the probability of a product's acceptance by the bulk of its members. Turning this around, we can also say that knowing a group's values, if we can adjust a product's characteristics to them completely, we can almost guarantee acceptance, barring other conflicts.

In summary, then, if we are to locate the optimum specification of group norms, we must determine who the opinion leader is, and analyze the group norms he follows. We must treat the design and promotion of our product in the light of these values, to insure any degree of group appeal. Care must be exercised in the search for an opinion leader, because

23 Rogers, op. cit., p. 90.
24 Ibid.
opinion leaders vary in their ability to purchase, use, and pay for a product. In this respect, "prospecting the opinion leader should not be done randomly." It should be orderly and directed toward maximizing their degree of influence and their ability to purchase, use, and pay for a product.

Some Specific Examples of Product Failures Based on Norms Violations

In this section, two cases will be discussed in which the norms of groups have severely interfered with acceptance of a product and a new idea. These examples are intended to demonstrate the realities of rejection when an incompatibility between a product or idea and a reference group's norms, is present.

The first product is one which Bristol-Meyers tried to market under the name Analoze. It was a combination pill, to be used as an analgesic and a stomach sweetener. In addition, Analoze was able to claim a special characteristic property, which allowed it to be taken without water. By all tests made previous to its test marketing, Analoze contained highly encouraging prospects for success. However, Analoze failed in all of its test markets to meet expectations. During a research of this failure, it was determined that people hold as a traditional norm, that the use of water in taking a headache remedy is at least as important as the pill itself.

25Zaltman, op. cit., p. 87.
to relieve the pain. The product was pulled off the market and scrapped, at a sizable loss of costs expended to design and market Analoze.26

The second case is more sociological in nature, but very much illustrative of the point of incompatibility of norms. The case is a result of an intensive campaign to improve the hygienic habits of the 200 inhabitants of a Peruvian town called Los Molinas. A social worker, Nelida, visited 21 families intensively. She was assisted by a physician, who talked publicly concerning the benefits of boiling local water. Nelida began to campaign for the second best thing to installing a sanitary water system, that being the boiling of water. Presently, the village had "three sources of water: a seasonal irrigation ditch, a spring, and a public well,"27 all of which were proven consistently to contain polluted water. An intense effort, concentrated on 21 families to boil their water, resulted in getting only 11 families to boil it. This was around 25% of the town's population of 200 people.

The custom of the local Los Molinas inhabitants, was only to use boiled water for treating an illness. In this use, it was a motivation to rid the water of its inherent


27Rogers, op. cit., p. 9.
coldness, rather than, to eliminate the bacterial pollution, unknown to them. The basic social belief was that "foods, liquids, medicines and other materials, are inherently hot or cold quite apart from actual temperature."28

The people who adapted to the new idea, were typically ones who moved in from the highlands and were still marked as outsiders to the townspeople. To these adopters the "community was not an important reference group."29 Consequently, the norms which the community followed would be easy to deviate from. Since the attitudes on which the norms were based, were not as strong among outsiders, the decontaminating procedures were readily accepted by them.

The remaining inhabitants of the town rejected the idea, based upon the fact that the traditional norms were stronger than the incompatible modern norms. The situation was simply one in which the local reference group had stronger influence than the intruding reference group.

In summarizing these two examples, it can be stated that no new product can likewise contradict some traditionally held norm of customary belief and still hope for acceptance. All product innovations must present a new idea in concert with the attitudes, beliefs and accepted norms of the buyer's reference group, to succeed.

28Ibid., p. 11.
29Ibid., p. 12.
Adopter Categories

Categorizing the types of adopters is helpful in understanding the buyers to whom an approach should be aimed at particular points in a product's process of maturing in a market. Among the adopters of products, there has been determined to exist, five various categories of people,30 ideistically.

First, there are the innovators. These are people who have an incessant drive to seek out the new, and try it. Repeatedly, they make choices which mark them as adventurous. These types compose a small group of people who precede the opinion leaders. The innovators combine to total only from three to five per cent of most communities and their associations, socially, take them to areas outside local society.

A second group, tagged the early adopters, has been determined to be significant. Their characteristics are:

(1) a strong tendency to be localites - that is, they identify closely with the immediate community. This fact alone places them on a high level of importance with new product marketers because this group produces the largest amount of opinion leadership of any category.

(2) a high amount of status is associated with early adopters because they constitute the "successful user image" reference group.

A third, significant, category is the early majority who follow the choice of early adopters, as a result of the respect they command. However, such adopters are not passively, but, actively determined to adopt, even though they rarely lead others to do so.

A fourth category is called the late majority, who fall in just behind the "average member of a social system." The late majority must experience the extreme pressure of wide public acceptance before they are convinced.

A fifth and final group are pessimists on new ideas from the beginning to the end. This category of people who distrust the validity of a new product's usefulness, are called laggards. These people are the typical, traditional thinkers. History is their reference group source, since they do not choose to live in the modern, fast moving world.  

The significant point of the presentation on salient categories of adopters, is that the heaviest concentration of opinion leadership, falls within the second category, early adopters. They comprise around ten to fifteen per cent of any given community. Their influence as a reference group, is based upon a highly respected position in the community, which early adopters hold. Since the opinion leaders adhere more closely to norms, than any group member, if a marketer can succeed in influencing them, it can also influence the

\[31\text{Ibid.}\]
\[32\text{Ibid.}\]
remaining members. All initial promotions should be aimed to strike the opinion leader, as its target. At this point, success depends upon how accurate the prospecting for the opinion leader was, in detailing his characteristics.

Summary of Sociological Influences

As a summary of the discussion on sociological influences on a new product's acceptance, some implications will be drawn about the speed with which an innovation is accepted.

(1) The speed depends upon the degree of conflict which a product encounters with a person’s or a group’s value system. If there is a minimal amount of conflicting interaction between the projected values required by a product and a buyer's existing values, the probability of immediate acceptance rises. Complete compatibility promotes immediate acceptance because no change is required in the buyer's norms.

(2) When a product gets immediately observable results, it is easier to talk about and, thereby, socially it is able to create an interest faster. A frequent result of interest is acceptance.

(3) If a product is complex, its understanding becomes a barrier to fast consumer approval. The simpler it becomes to use and understand, the less education consumers need and the quicker they accept it.
CHAPTER III
THE PHENOMENA OF CHANGE
AND BUYER REACTION

This paper is concerned with the human aspects of change. Therefore, it is appropriate for this chapter to relate the phenomenon of change back to the selected areas of psychology and sociology discussed previously. Namely, they are needs, perception, learning, culture, and groups. Thus the discussion will center upon change itself to establish a basis for a later analysis.

Change Itself
Change is simply the substitution of one entity for another. Change in relation to products may be of two types:

1. Accidental change which is concerned only with the modification of the superficial aspects of products.

2. Substantial change in which the essence of a product is modified, completely eliminating the old product. Both types of change are prevalent among products, the accidental referring to product improvements and the substantial change being a completely unprecedented innovation.

Change and Needs
Couched in terms of needs theory, change has an unbalancing effect upon needs. It upsets the stable system of
of satisfaction and the tension which such a system reduces, reappears. The accidental and substantial types of change each represent a different degree of disruption in need satisfaction patterns. Accidental change reactivates only one or two needs in the hierarchy causing a minor interference with need reduction. Substantial change reactivates many needs in many categories throughout the Maslow hierarchy causing a major disruption of the previously stable system of satisfaction. When a buyer is presented with product choices which are a substantial change, a resistance behavior develops toward the innovation. To overcome this resistance a consumer must become convinced that he is unseating his present need satisfactions for an improvement. An excellent analysis of this resistance development is presented in the following passage:

The state of disequilibrium which exists is actually an imbalance in need satisfactions. The assumption here is that prior to a change, an individual exists within an environment in which the satisfaction of needs has reached a high degree of stability. When a change occurs, particularly in the absence of adjustment facilitation, there is immediately manifested a threat to motive satisfaction. In other words, there now occurs the possibility that the change may prevent or decrease need satisfaction. Whether or not the change actually has this result makes no difference at this stage. The important point is until proven otherwise, the person believes or assumes that this threat will materialize.  

This opposition to change follows not only from major, substantial change but also from minor, accidental change. However, the intensity of opposition to minor modifications in products is weak. The development of new products has been concentrated heavily in this area of superficial modification because consumer acceptance is more immediate here. This present trend is developing products which are not really new in the narrow use of the term.

Louis Collier, an executive of Heinz Soup Company, looks at new products as "some physical item of commerce or marketable service that has never before been available." In his thinking, a real new product "creates its own demand by filling a need or exciting a desire in the marketplace." He writes further, that is should be a "whole new species rather than a new twist." Rarely, if ever, is a new package considered a new product development because it is equally rare to find a package change which changes the contents or essence of a product.

Whether major or minor changes are made, their orientation should be toward needs satisfaction. In Maslow's theory of a needs hierarchy there is an implication for United States marketers concerning the types of need appeals to use.

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3Ibid.

4Ibid., p. 244.
Americans want products to satisfy needs in the upper levels of the hierarchy, since few lower level needs remain to be satisfied. Some examples of needs in the upper levels are the love and affection and belongingness needs, the need for self-respect and respect of others and self realization. Many marketers presently are pursuing the development of products based upon many of these. These are the areas where change will be more readily accepted because needs lie dormant and unsatisfied here.

In the study of new products it was determined by Wasson that products which involved new price, new convenience, new performance, new availability and conspicuous consumption features, would satisfy highly desired needs. The study confirms the trend of needs cited in the chapter on psychology which singled out the trend toward convenience as one highly important trend. Convenience is a higher level need which will not appear before basic drives become completed.

In attempting to introduce a product a marketer is attempting to promote change. However, he is also negotiating with the powerful factor of inner human drives. Human needs are not of themselves conscious or unconscious. In general, the average person, however, experiences needs unconsciously. Therefore it becomes a complex problem to develop product

6Supra, p. 11.
7Maslow, op. cit., p. 391.
appeals to suit customer desires. Customers do not recognize their needs and this increases the difficulty of marketers in finding them out.

In summary, it must be emphasized that needs control change and the success with which change is introduced. When new products are as common a phenomena as they are today, marketers must recognize the unbalancing effect change has upon need satisfaction. Marketing efforts must be oriented toward re-balancing satisfaction systems. To do this they must provide believable assurances of improvement in satisfaction. Some means are actual demonstration, trials, or samples. Along with this, adaptation to higher level need trends and the provision of assistance to consumers in recognizing their wants are two necessary marketing functions.

Change and Perception

A Definition. Perception was defined in the previous section as a "limiting process which screens incoming stimuli." The impact of change upon perception is that of widening this process to accept more stimuli of varying kinds. The widening of the perception causes a realization that needs can be satisfied in many new and improved ways. Here, the fundamental criteria for decision making is maximizing satisfaction of existing needs under future conditions. Heckmann's

8Supra, p. 13.
statement regarding the human reaction of resistance to change indicates that buyers view the possibility of change as a "threat to motive satisfaction."9

**Stable Satisfaction System.** Until prospects are convinced that they will continue a stable pattern of satisfaction, the product will fail. This is a problem in perception widening. Some reaction to change will be frigid attachment to present products and perceptions alike. Others will be hesitating interest in the new product.

**Needs Are the Key.** The key to solution is in the statement "we see what we want to see."10 Needs determine perception. If consumers can be educated to see their needs more specifically, then their perception will automatically widen. Products which fill these voids will fall within this perception, too. Naturally, such a shift cannot come without knowledge and learning.

**Change and Learning**

**A Definition.** Learning was defined in Chapter I as a process by which an activity originates or is changed through reacting to an encountered situation, provided the characteristics of the change in activity cannot be explained on the basis of native response tendencies, maturation or temporary states of the organism.11

The encountered situation of this discussion is specifically the adoption of innovations. The process of change

11*Supra*, p. 18.
associated with adopting new products begins with an acquisition of knowledge about them. To some buyers new products are not attractive. Often this is attributable to the lack of understanding about them. The provision of knowledge by marketers and its acquisition by prospective buyers is thereby essential to success. A specific example of the value of knowledge to success is provided by the Toni Home Permanent promotion. Initially, it was feared, due to lack of proof, that the method was unsafe for home application. Consumers felt sure that a simple mistake in mixing the chemicals would cause damage to one’s hair. Considerable effort was expended in the promotion to modify that notion. Cosmetics’ counter women were required to use the product on the day before its introduction to the public. The display of results destroyed the fear and the product became widely accepted.12

The Adoption Stages and Learning. The process of adopting new products contains five definite stages: awareness, interest, evaluation, trial, and adoption.13 Throughout these five stages a parallel process of learning is being experienced by prospective purchasers.

An analysis of the five stages and learning represents


how learning affects change. Initially the awareness stage provides the subject with only limited knowledge. Learning therefore is sharply curtailed at this point. However, it is from knowledge, as piecemeal as it may be, that the next stage of interest develops. In this second stage the mind tends to complete the skimpy picture by motivating a person to seek further knowledge. After attention becomes fully engaged, knowledge begins to pour in, filling the gaps. It remains as merely knowledge until the third stage of evaluation begins. During evaluation, knowledge becomes understanding while judgment is consciously applied to the advantages and disadvantages of the product. Relationships are developed to personalize the value of the benefits.

In personalizing the product's benefits the individual projects a mental picture of what it will be like to own and use a product. He tries mentally to experience the satisfactions which he is led to expect exist in the use of the product. The more knowledge acquired the more real the kind and amount of satisfaction perceived. As the process of adoption progresses the buyer relates the independent areas of knowledge. Now, the perceived satisfaction either approximates the desired satisfaction or it falls short of it. If it is acceptable, the trial stage evolves wherein mental learning subsides and experienced learning submits its proof of reward. In the trial stage a buyer attempts to
verify that the results are actually as he has perceived them. If so, the product becomes adopted. At each stage an increase in knowledge occurs. The more direct the experience in obtaining the facts the more accurate the pre-use estimation of satisfaction. There is not a cause-effect relationship between knowledge, understanding and change. Knowledge which can lead to learning, is rather a catalyst in a process dominated by a set of needs. Needs cause change.

The extent to which knowledge is required is a determinant of the speed of acceptance. The more complex the product, the more time that will be required to adopt it. This fact must be considered in the design of a new product to obtain a speedier introduction and acceptance. In competitive counter-attacks, ease of understanding a product is critical to success.\(^ {14} \)

In relating the theory of learning to the practical problem of adopting a new product four factors of learning are involved: drive, cue, response and reinforcement.\(^ {15} \) The drive factor has already been considered in the needs discussion of change. It should suffice to state that the drive is the ultimate controlling factor in precipitating change.


\(^ {15} \)Supra, p. 19.
The cuing factor performs a strategic function to promote change. It provides a link between a general need and a specific solution, the new product offering. If successful, the cue will evoke an acceptance response. The change will have occurred but the real test of the learning process in promoting change is permanency. This is measured by the degree to which reinforcement occurs which in turn depends upon the amount of drive reduction. Lasting change means that a stable source of satisfaction has been located and proven reliable. This reinforcement factor leads to the development of habits.

Change and Habits

Reiterating the theme of this Chapter as briefly as possible one would state that change is an agitating force which disturbs a balance. The search in the discussion of various factors is an exploration of their influence in maintaining or regaining this balance. Adjustments must develop and the amount of adjustment behavior which actually does take place is a function of the amount of assistance provided by sellers. The amount of assistance to provide, depends largely upon the habitual nature of the product. Some products do not require as much change as others, simply because the habits developed by previous products are the same as or similar to the habits associated with the new product. These require adopting old habits; others require learning completely new habits to replace old ones.
In the discussion of learning on page 22, it was stated that a reinforcement resulted from the reception of a reward. This reward resulted from an ensuing reaction to a stimulus in satisfying a need. The learning of new habits associated with permanent adoption, is a function of this reward and reinforcement. Analyzing change, therefore, includes the understanding of what a habit actually is.

A habit is defined as a "consequence of continued reinforcement" influencing the degree "to which cognitive processes are involved in a subsequent need arousal." Habits are merely responses to some need and the frequency of their occurrence is a function of the repetitive appearance of special types of needs. The most critical indicator of the degree of difficulty to be experienced in a habit change, is habit strength. According to Bayton, the measure of habit strength is "the extent to which an individual will persist in an act after it has ceased providing gratification."

As with any future event, an uncertain nature is associated with a need satisfaction. Before a person is converted to a new habit a particular level of certainty must be attained.

16 Supra, p. 22.
18 Ibid.
A Sociological Analysis of Change

Socially, buyers have a definite relationship to each other which influences their acceptance of new products. To recognize this fact is to recognize that man must also experience certain social needs as well as psychological needs. This means he is driven to act by the thinking of others just as certainly as he is driven to act by his own thinking. Needs again become ultimate determinants in affecting a change in behavior, however social barriers to change add many new elements to the discussion not previously included.

Of all the elements, only a selected few will be included in the analysis. These are culture groups, norms, status, and roles.

Throughout the study of sociological elements in Chapter II, one essential variable was consistently involved. This element was values and value systems. There are few factors which are so centrally involved in subjects of culture and groups. Values are the underlying bases which promote the cooperation between individuals themselves and their groups.

Sociologically what change asks of an individual as a group member is that he accept new values. Sometimes the value changes are trivial because the product change is merely accidental. In other cases the complete value system is caused to change when a unique product is adopted. Real innovations are necessary to implement progress but if real
innovations are bluntly projected upon a market, resistance will immediately appear. First, in reference to culture it is evident that a permanence exists within a culture which no innovation could ever successfully break down, alone. This is evidenced by the previous definition cited in the chapter on sociology. Culture there was defined as a set of ideas, attitudes and habits "developed to facilitate a common 'conduct of life.'" It would then seem that a critical attention to the concept of culture may really be the key to implementing progress in the form of new products.

In strict attention to culture in promoting a change, the respect for and the favorable use of the dominant influence of that particular culture is called for. The dominant influence for example in the United States' culture is represented by a leadership elite whose basic characteristic is mobility, as determined by Opinion Research Corporation cited previously. By determining the characteristics of such a leading influence, a test for any particular new product can be made on the basis of the acceptance in this representative sample. A study of the culture's characteristics in this manner allows one to determine how much modification will be necessary in an innovation to match it to the culture into which it is being introduced. Previous to production it should be

20 Supra, p. 30.
determined if a product of its very nature can be adopted.

Groups and Change

People in groups are strong barriers to an effective introduction of a change. This is because people in groups will form common ideas, attitudes and habits which assist them in ordering their interactions with one another. Members expect each other to hold similar values in order to remain within the group. If a relationship with a group is rewarding and a person has learned this reward repeatedly in his interactions with other members, few external pressures can effectively induce him to welcome new values. This applies to any type of social relationship, whether on the culture level or at the group level. It applies to actual members as well as to people assigning themselves to reference groups in which they are not presently members. Both represent people with whom associations are desired.

The logical method by which to implement the change is to design an appeal into a product which is in concert with the norms of the reference group. Then, it would appear far more probable that acceptance would be forthcoming.

In a study concerned with determinants of the speed of social acceptance of a product innovation, this very approach was considered as a factor. Of five elements mentioned as those elements to optimize, "compatibility with existing
values" was suggested as the second most important element. Naturally, the objective is minimizing the amount of conflict between the group's value system and the projected values required by the use of a particular product. If this can be achieved, then the probability of acceptance rises. Therefore, in prospecting a consumer's values and the norms of his group our sole aim is to improve this probability. The product's compatibility with existing values promotes more immediate action because only minor change is required of buyers.

How Roles and Status Affect Change

Roles are simple expectations which group members place upon other members. They really amount to assumed functions which members are to perform toward reaching the group objective. These functions accrue to a person because of his position in the group. Now, when new products are introduced their appeal is favorable if members can utilize them to better perform these functions and thereby accomplish group objectives more effectively. This obtains for each member an increase in approval from the remaining members and thus causes an increase in social needs satisfaction. Additionally, it reinforces each member's attachment to his present status or group position. Any product which does provide this means of obtaining social satisfaction is destined to be socially

appealing. Its attractiveness will depend upon its degree of usefulness as means to improving a group's functioning. This is accomplished through the improvement of each member's performance of his function.

In an application of this theory Wasson noted that it was advantageous for certain types of new products to develop an emphasis on "conspicuous consumption." This element refers to the amount of exposure an owner has while enjoying the use of his new possession. Emphasis on this point is more important when some status level is associated with a product type. Automobiles provide a perfect example of a product which produces a maximum exposure of the fact of ownership. Thus, in addition to providing transportation, new cars can also provide a source of status support. Product innovations which support a status need satisfaction can surmount the barriers to group acceptance more rapidly than others which do not.

Norms and Change

Norms are the concrete representation of group values. They are the means by which group values are imposed upon members. They are strictly enforced standards of conduct which insure a unity of group purpose. In the final analysis the only direct group confrontation to which a product is exposed is a norms conflict. Thus, when an adjustment of a product's design is made to meet a group's values, norms will

\[22\text{Wasson, loc. cit.}\]
be the immediate cause. Initially, if norms are used as a guide to design, a close identity between a product and a group can be obtained automatically. As the norms discussion previously stated, the group leaders adhere most thoroughly to the group norms. By obtaining information as to whom group leaders are, one can develop a working knowledge of the group. Then, it is possible to promote a suitable product.

In summary, this section concerns itself not so much with the impact of change upon the individual as it does with the impact of the individual upon change. The discussion began with needs and ultimately it returns to the needs because motivation is at the seat of change. It is well to realize that a judicious compromise of the various multiple needs is an answer to the required satisfaction of the whole human with one product.
CHAPTER IV

THE EXISTENCE OF A PROBLEM:
STATISTICAL FIGURES ON FAILURE
AND PRODUCT FAILURE EXAMPLES

Statistical Evidence

Ever increasing number of new products are offered to consumers, weekly, at a high risk of loss to the producing companies. Chance alone causes some failures, but rejection on the basis of chance alone is so insignificant that it could not possibly account for the total rejections actually sustained by these companies. The failure problem passes over industry lines, too, reaching into the profits of every industry in the United States. A survey of the literature indicates strong statistical proof for these statements.

A study by Lippencott and Margulie revealed that "of every 26 products introduced by industry, 23 fail." This represents an 88.5% rate of consumer rejection. Even higher risk is indicated by the McCann Erickson study. This advertising agency study came to the conclusion "that of every 25 products test marketed, only 1 succeeds." This is a 96% rate


\[2\] Ibid.
of failure or a mere 4% success rate. It should be noted that this last statistic was a result of test marketed products, while the first study cited does not indicate how the introduction took place.

A third study reports a rate of failure of 95%, stating that "19 out of 20 new products are failures." The report gives these reasons for such a poor showing.

(1) The scheduling of product introductions was poor. Introductions did not coincide with the height of consumer interest. Consumer interest can be determined by observing (a) the essential nature of the product i.e., seasonality, necessity or luxury, etc., and (b) the related buying habits of consumers. Arriving too late or too soon with an introduction, results in a proportionate decline in the acceptance below the level at the optimum time of introduction.

(2) Impractical innovations which result from a failure to distinguish clearly between product possibilities and actually profitable and marketable items.

(3) Changes in consumer's wants are a cause of rejection of a product. Applying vigilant attention to consumer needs during all phases of a new product's life will solve this cause of failure.4


4Ibid., pp. 251-256.
## TABLE 1

WHY NEW PRODUCTS FAIL

<table>
<thead>
<tr>
<th>Causes</th>
<th>Frequency of Mention</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Inadequate market analysis</td>
<td>32%</td>
</tr>
<tr>
<td>2. Product deficiency</td>
<td>23%</td>
</tr>
<tr>
<td>3. Higher costs than anticipated</td>
<td>14%</td>
</tr>
<tr>
<td>4. Poor timing</td>
<td>10%</td>
</tr>
<tr>
<td>5. Competition</td>
<td>8%</td>
</tr>
<tr>
<td>6. Insufficient marketing effort</td>
<td>5%</td>
</tr>
<tr>
<td>7. Inadequate sales force</td>
<td>5%</td>
</tr>
<tr>
<td>8. Weakness in distribution</td>
<td>3%</td>
</tr>
</tbody>
</table>

Source: NICB study report, 1964.\(^5\)

NICB Report. In 1964 a prominent study on product acceptance was conducted known as the NICB product failure report; it represents by far the most comprehensive new product study available. The conclusions from the survey include eight different areas, weighted in importance as to their frequency of mention. These common causes are shown in Table 1.

Table 1 contains strong evidence in support of the contention that failure or success in new product marketing is dependent upon consumer behavior knowledge. Dr. Lazo, who wrote the reference article, interprets the NICB findings as indicating wide technological advances disproportionate to advances made in the acquisition of marketing knowledge. People are the center of marketing, so knowledge about markets is knowledge about people. In the study, approximately 65% of the sources of traceable failure, falls within the domain of marketing. The balance of causes, 35%, is accounted for by the remaining "function of business" such as "engineering, production, financing and purchasing."\(^6\) (In Table 1 causes 1, 2, 6, and 7 are marketing causes totaling 65%). In fact "more than 60% of the officials queried, mentioned inadequate knowledge of markets as the chief culprit."\(^7\)

\(^6\)Ibid., p. 75.
\(^7\)Ibid., p. 74.
The answer appears to be a better understanding of the psychology and sociology of people applied to markets.

Estimates of the costs of not having this knowledge run high. The NICB study estimated a $1.5 billion loss in 1963 alone, and easily a $7.0 billion loss during the past five years (1960-1964). The estimate runs this high because "even the most successful new product innovators admit that three out of every ten new products introduced in the past five years, have failed." This is a 30% failure rate which is low when compared to previously cited statistics. This rate applies only to the "best in the business."

Further substantial proof of a need for consumer understanding is presented in Table 2 which shows an analysis of Industry Research and Development Spending Estimates for 1965.

An interpretation of Table 2 results in the exposure of some revealing facts:

(1) Three times as much research money was spent to discover and create products than was spent to discover or develop a market for them.

(2) Thirteen times as much was spent to develop a product as was spent to determine if a market even existed for this product.9

8Ibid., p. 74.
9Ibid., p. 77.
### TABLE 2

**INDUSTRY RESEARCH AND DEVELOPMENT SPENDING (estimated 1964)**

<table>
<thead>
<tr>
<th>Type of Research</th>
<th>Expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic Research</td>
<td>$179 million</td>
</tr>
<tr>
<td>Applied Research</td>
<td>923</td>
</tr>
<tr>
<td>Product and Process Development</td>
<td>4,013</td>
</tr>
<tr>
<td>Market Research</td>
<td>300</td>
</tr>
<tr>
<td><strong>Total Research and Development Dollars Spent</strong></td>
<td><strong>$5,425 million</strong></td>
</tr>
</tbody>
</table>


This disagreement between market research costs and other research costs is indicative of a disagreement in principle. The discrepancy demonstrates an unwillingness to adopt the modern marketing approach. Industry management is rejecting the consumer as the center of marketing and placing the product technology at the heart of business activity.

The objectives of the manufacturer of a product must be established with knowledge of what it is the product must
do for the user. The knowledge can come from two sources. First, it may originate from a manufacturer's judgment as to what consumers want. Secondly, it may result from market research which determines wants directly from consumers.

The most certain bridge to the consumer is real knowledge of his wants, perceptions, culture, etc. The technical excellence of a product is wasted if the product does not suit the characteristics of a predetermined market. In reality, product development is a function of market research. Without proportionate market research expenditures, product and process development become aimless activities. The purpose of market research is to establish product objectives. Neither real satisfaction nor profits will result, except by chance, if research is organized otherwise.

An assumption which must accompany the present proportions of research expenditures, is that a consumer will adjust to a well-engineered product. In reality, this assumption does not hold true.

In the face of these facts, no reasonable man could conclude that we do not need more market knowledge. Without the knowledge of the consumer's favorable and unfavorable reactions to a product, the only way to sell is to emphasize features one thinks a consumer will like. With market facts and understanding, marketers can become more efficient by
promoting features which potential buyers actually do desire in a product. Concentrating on these strategically valuable features is not only possible but also necessary to keep competition off balance until after the introduction of a new product. Moreover, negative connotations associated with a product, whether true or not, must not be overlooked because consumers do not overlook them. These connotations can be counteracted if we know what they are.10

Analysis of Outstanding Product Failures

Examples of new products that actually did fail can explain more clearly what particular aspects of products have been overlooked by producers and marketers.

The Edsel Mistake. A classic representative of unsuccessful models in the automobile industry is the Edsel designed by Ford and introduced in 1958. Research concluded that the "young family on its way up" was the market segment which held the most promising buyers and to which the Edsel should be tailored." During the two and one-half years of its life, the Edsel accounted for less than 135,000 units of Ford's sales which was so discouraging, that Edsel was dropped from the line in 1960.12


12Ibid., p. 13.
Many analyses in retrospect have been conducted revealing the following points as significant in the Edsel's downfall:

(1) Edsel was the wrong name.\textsuperscript{13} Basically, a car's name should signify something to the buyer about the nature of the car upon which it is placed. The name Edsel obviously did not communicate anything as positive as the names Dart, Comet, Impala, Mustang, Marauder, etc., do about the cars which they represent.\textsuperscript{14}

(2) The Edsel was price wrong. The price is part of the design and the design was for the middle price range. Being too middle of the road, the price and design helped prospects decide upon other more expensive and less expensive models.

(3) Edsel's design was wrong. In fact it was described as the "car in search of a character."\textsuperscript{15} The design was based upon some informally collected information, truly not acceptable as market research information. Consistent with this approach an automobile was created for which no market existed. The prevailing idea was that design was unimportant and that heavy promotion could sell whatever engineers turned out.\textsuperscript{16}

\textsuperscript{13}Schorr, \textit{loc. cit.}


\textsuperscript{15}Ibid.

(4) Edsel was introduced at the wrong time. The January introduction was counter to the customary fall presentation of new models. Such a radical departure from tradition was unexpected and received an unfavorable response of resistance from buyers.

In summary then, the Edsel was a new product which was almost completely rejected on the basis of its name, its price, its design and looks, and its time of introduction. All four of these could have been right had the Ford Company known its consumer better, both psychologically and sociologically. Psychologically the car's appearance was its largest deterrent. People want a modern looking car not one with an appearance of the past which was the association people made with Edsel.

In the drug industry, Bristol-Meyers developed a product called Analoze. This was a combination antacid and analgesic tablet which could be taken without water. Here was an attempt to bring out a definitely new product in contrast to the multitude of pills which people ordinarily take with water. Analoze was test marketed and orders were a mere trickle compared to expected results. Something was overlooked which destroyed the product's merits. The shallow

17Schorr, loc. cit.
18Supra, p. 40.
research techniques used were ineffective in detecting unconscious psychological factors. As a consequence, the unconscious association of water with a cure went undetected. Analoze was scrapped as a result.

Industrial electronic marketing is somewhat complicated by reason of the extremely advanced nature of its technological state. However, the same basic principles apply here as in any other marketing application.

An example of an industrial innovation which failed, at first, is the microdot, microcrimp-coax connector. Microdot Company designed a new solderless coaxial cable plug and proceeded to market it by merely adding the catalog number to their catalog with a description. Without further support, it failed to sell for six months during which period, $120,000 of inventory had accumulated. It was now considered to have been introduced in the "conventional manner" which meant it was "adequately and accurately" described in the Microdot catalog. This "conventional manner" nearly prevented the sales of crimp-on connectors.¹⁹

A new marketing manager was hired and his first task was to solve the solderless connector problem. He developed a plan and then acted on it. First, he surveyed distributors, to find that they did not understand how to assemble from a

basic stock of 40 connectors, the total line of 140 possible crimp-on types. Secondly, through salesmen, he determined that the ultimate consumer needed some kind of guide to tell him which connector to order from the distributor for a particular job. The new manager solved both problems by developing two charts with selector windows. The first one was a "Microdot Assemble Chart" for distributors and the second one was a "Microcrimp Connector Selector" for both distributor salesmen and their customers to use.\(^\text{20}\)

In addition, advertisements were placed in trade magazines with this clever theme: "Dial your selector for the proper connector; then dial your distributor." These three strategic moves were successful in solving a generally prevalent problem in technically advanced industries: that of insufficient product knowledge. Potential consumer education is the link to success in a new product promotion of this kind. The microcrimp connector is now the top selling product in the line mainly because it was an excellent product later supplemented with proper consumer knowledge and guidance.

On the consumer side of the electronics industry, there are more examples of technologically perfect products which

\(^{20}\text{Ibid.}, p. 80.\)

\(^{21}\text{Ibid.}, p. 81.\)
were poorly suited to consumer wants and desires.

One such example is Philco's Predicta line of television sets. Its design was far ahead of its time. In fact, it presented itself as so uniquely different in physical appearance, that it was considered weird. The technicians had created a television set which was not considered a piece of furniture anymore since the picture tube was separated from the receiver in some models. The picture tube was mounted on a metal base which allowed the tube to be placed across the room. Such an extreme design change was indeed innovative, but, it required too extreme a change in consumer habits.

As mentioned before, consumers seemed to consider the Predicta line weird. They remarked that "the sets are nice, but they would not want to have them in their homes." This was apparently a socially based objection because Predicta sets were so opposed to the presently accepted style of all in one box design.

Two Examples of Highly Successful Products

Extremely successful products do not prove the basic contention of the paper any more than those of average success, but they are more dramatic. Over the past two years no more

22Schorr, op. cit., p. 198.
successful products have been marketed than the Ford Mustang or General Mills' Gold Medal Wondra Flour.

**Ford Mustang.** In the history of the automobile few successes have sold to match the phenomenal Ford Mustang. Introduced in 1964, Mustang was the result of a project to put Ford cars back in competitive status with Chevrolet. Based upon the research done in the past years and upon a special Mustang Market Research it was determined "that the biggest gains in the auto driving public would be in the young drivers; between now and 1975, one million young drivers between 16 and 24 are potential drivers every year."\(^{23}\) Such statistical findings led Ford to design the Mustang which succeeded in attracting more than 100,000 buyers in its first 92 days.\(^{24}\) This set an industry record for new model introductions. Mustang's success lies in matching a market's detailed characteristics and demands, with suitable product features and design. Specifically, it was the matching of the youthful demands for a sports car look at a reasonable price, with the Mustang, which sold it.

**Wondra.** A food industry success which was a significant breakthrough was General Mills' Gold Medal Wondra Flour. Wondra had its beginnings in a peculiar way. During a


\(^{24}\)Ibid., p. 13.
research to develop a glue ordered for a tough, special use, a method was found to decrease its dissolving time in water. It consisted in simply obtaining uniform granule size of the glue flakes. Under extreme secrecy, uniform granule size was transferred to flour. Wondra was the result which satisfied a need for more perfect flour with which baking could be made almost failure proof and easier at the same time. It was an "instant success."25

Why was Wondra so successful? Generally, it is because Wondra satisfied a need long unsatisfied. Specifically, that need is the desire for a flour which would not lump together in the preparation of baked goods or gravies, etc. So long had this need been ignored that the pent up desire provided Wondra with instantaneous demand.

Although the trend is toward higher need satisfaction there are simple needs like the Wondra need which still remain unsatisfied. The search for these specific needs must become as intense as the search for product and process improvement. Otherwise, the ultimate reason for improving processes and products will not be known.

The statistical evidence presented, is in need of interpretation to delimit its meaning. The statistical data

merely specify that a sufficiently significant reason exists to lend credence to the idea that failures are caused by some other source than change alone. All of the statistics available could not prove that there is a direct cause and effect relationship between product failures and the lack of a particular type of knowledge. By developing a connection between two variables, the statistics supplement the theoretically developed relationships. Our statistics disclose a high per cent of failures and in addition point to a high per cent of these cases in which a lack of market knowledge existed. This is intended solely to support the rationalized relationship elaborated upon in the first three parts of this paper. The theory which evolves is that the suitability of a product to the psychology and sociology of the buyers is directly related to their adopting or rejecting of new products.

Specific products are analyzed to unveil some dramatic demonstrations of product failure and success. These are intended to show, further, how prevalent the actual failures are in the concrete terms of practical examples extracted from the real business world. The products surveyed to obtain the previous statistics, do not necessarily include any of these examples. As far as the author know, both sets of data are independent. These specified examples promote the practical application of the previous theory presentation.

In refutation of the possible counter-argument, that product failure examples presented are results of chance,
it is offered the source footnoted as an assistance to the reader to learn the complete stories behind each product. In each case, the facts of post-failure research, indicated without question, that some aspect of consumer behavior was overlooked. Also in each failure citation, this oversight was directly traceable to the failure itself. There is evidence that if the knowledge had been present and acted upon by management, the results experienced with the product would have been more favorable. So, these product choices, as a group, are not open to the charge that they are due to chance alone.

**Summary**

The total paper is aimed at providing an answer to why new products fail. Initially, discussion developed theories on needs, perception and learning. Combined, all three are intended to construct a foundation upon which a meaningful, yet manageable, presentation of buyer behavior can be developed. This theory limitation becomes purposeful, rather than expedient, when it is realized that a larger discussion would outweigh its usefulness to the paper.

Needs were discussed in an hierarchical arrangement from basic to higher level needs. Trends in general needs, mostly higher level types, were set out as modern examples of what to look for in the types of appeals which will successfully attract present and future buyers. Perception was demonstrated to follow from needs directly and, consequently,
it changes with them, too. Its importance was seen as a selection device mentally developed to limit the influential stimuli to desirable types. Through this perceptive channel learning takes place, causing a behavioral change to occur when a reward is experienced. Only knowledge transferred from the real world by perceptions is available for learning rewards.

Complementary to these three psychological areas, the sociological elements of culture and groups add the external influences to the explanation of buyer behavior. Culture was shown to effect the broadest influence of the social nature while groups pressured the individual more directly and specifically. Both influences acted through norms to impose their order upon member's actions. Indicators, such as tastemakers and opinion leaders, were found to represent the groups best, in their needs and restriction.

Change theory forms a base from which to grasp an understanding of the adoption process through which buyers of new products progress. In terms of needs, change was explained as a disturbance of an existing, stable environment in which needs were satisfied. When people become convinced of the substituted environmental element's satisfaction value, they adapt to change; otherwise they do not adapt.

In the adoption process, during the five stages of awareness, interest, evaluation, trial and adoption, all of the
psychological and sociological theory element, previously discussed, are present. In total, their effect can be evaluated and the specific importance of each at different stages can be and should be allowed for in the promotion appeals and approach methods.

Newness is discussed, to define the various ways in which it can be viewed. Again, allowing perception to take its toll, we can better recognize the real effect of changed products on buyers.

The final section of the paper represents supplementary material to the first three section, giving numerical demonstration of what was theoretically contended to exist between the variables of failure and market knowledge. Product analyses provide independently concrete details.

Some implications can be drawn from a study such as this which can be of towering significance. These implications verify and reinforce existing developments.

First, to tailor the development and promotion of new products to the process of adoption, market segmentation is swiftly becoming a prevalent approach. Originally, marketing developed as a science of getting rid of huge quantities of a manufacturer's output. In this concept, mass market approaches developed, reducing the appeals and designs of products to the common denominator of the masses of consumers. Such compromise with needs was less than satisfactory to some individuals and more than satisfactory to others, who
could afford no more. In the light of the needs people experience for general products such as food, clothes, cars, etc. and the variety of these products available, it is evident that needs are better satisfied by greater specialization in products. The segmenting of mass markets into more specified areas of need requirements, provides a concentrated target at which to aim. Efficiency is vastly improved on both sides: need supply side and need demand side.

Secondly, test marketing is implied as an important method of initiating a product into a market. Primarily, by the use of opinion leaders in these tests, it becomes socially oriented. Such tests provide less expensive testing grounds, than whole markets.
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