

Changing Product Attributes – A Good Idea?

The following company has an idea to modify the attributes of its existing product. The goal is to try and increase sales. However, there is a risk that sales could decrease instead – what do you think?

Introducing Pop-Ups

Pop-ups drinks were introduced to the market just three years ago and have proven to be a fairly successful product. Pop-ups are a kid's drink that comes in a variety of fruit flavors. The serving size is around half the size of a can of soft drink, as it's primarily targeted at children aged three to eight years of age.

One of its distinguishing attributes (and hence its name), is its pop-up lid. This attribute provides a number of benefits: It's fun for kids, it's spill-free, it's convenient, and it allows the parents to easily seal the lid so that the child can finish the drink later.

The firm recently conducted a number of focus groups with regular purchasers (that is, the parents) of Pop-ups. Although the research was designed to uncover preferences for new flavors and the reaction to a planned packaging revamp, the research also made an interesting discovery (as is highlighted in the various comments from the focus groups below).

"I often re-use the bottles. I fill them with either water or cordial for their school lunches."

"The bottles come in very handy. We will re-use them three or four times before we throw them away. I often put milk in them for our four year old, who's now too old for a baby bottle."

"One of the reasons I buy Pop-ups is for the re-usable bottles."

When the product manager for Pop-ups reviewed these results, they clearly indicated a potential opportunity to grow sales. If the lid was fused onto the bottle, then they couldn't be opened and therefore refilled. This would mean that consumers would need to buy Pop-ups more frequently as they could no longer re-use them.

The product manager determined, from the frequency of these sort of comments in the focus groups, that sales could increase anywhere from 20 to 50%. Two weeks later he met with his marketing manager to discuss his recommendation to fuse the lid of the bottle. He was expecting that his proposal would virtually be automatically approved.

However, his marketing manager interpreted the focus group results in a different way. The marketing manager's view was:

"I take a different view of the research results. It clearly appears that the ability to refill the bottle adds value and is one of the main reasons consumers buy the product. If we change that attribute, we could decrease the overall value, which is likely to result in reduced sales."

Both views make sense and are based on logic. If it were your decision, what would you decide to do? (Note: Please try to avoid 'conduct further research' as your decision.)

Student Discussion Questions

1. What need/s does this product meet?
2. Why could sales increase if the lid design was changed?
3. Why could sales decrease if the lid design was changed?
4. Do you think that a 'minor' product attribute like a drink's lid would have a significant impact on sales?
5. If it were your decision, what would you do?