

Extended abstract for Contributed Paper session

Paper Title	Rate of success of new dairy products in the UK: how important are health and sustainable attributes?
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**Contributed Paper abstract prepared for presentation at the 91st Annual
Conference of the Agricultural Economics Society, Royal Dublin Society in
Dublin, Ireland**

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Abstract	<i>200 words max</i>
<p>This paper explores the success of new products in the UK dairy market. The motivations are the interest in understanding drivers of innovation activity, and second, to explore to what extent health and sustainability attributes are driving the sector activity. Therefore, the questions to be investigated focus on the rate of success in the introduction of products in the dairy sector and whether the presence of health and sustainability attributes increase the rate of success. The data in this paper were extracted from Mintel's GNPD database and Kantar Worldpanel for Great Britain. The methodology consisted of defining the rate of success of dairy products launched in 2011 (588 products) based on their sales observed in Great Britain up to 2015, defining unsuccessful products those that did not show sales during the period, successful those that show sales even in 2015 and partly unsuccessful all the others. A multinomial logit analysis was used to explore factors affecting the success of the products. The analysis revealed an overall rate of success of 36.1 per cent with high dispersion by product category. Moreover, the health and sustainable attribute whilst important do not explain the differences observed in the rate of success.</p>	
Keywords	New products, dairy sector
JEL Code	O310
Introduction	<i>100 – 250 words</i>
<p>This paper explores the success of new products introduced in the UK dairy market. The motivations behind the topic are the interest in understanding drivers of innovation activity of which the introduction of new products is a component, and second, to explore to what extent health and sustainability attributes are driving the sector activity and in particular to what extent including them increases the probability of success. Therefore, the questions to be investigated focus on the rate of success in the introduction of products in the dairy sector and whether the presence of health and sustainability attributes increase the rate.</p>	
Methodology	<i>100 – 250 words</i>
<p>The data in this paper were extracted from Mintel's Global New Product Development database and Kantar Worldpanel for Great Britain. The methodology consisted of defining the rate of success of dairy products launched in 2011 (588</p>	

products) based on their sales observed in Great Britain up to 2015. Thus, unsuccessful products were defined as those that did not show sales during the period, successful ones were those that show sales every year of the Kantar sample and partly unsuccessful were all the others. A descriptive statistical analysis and a multinomial logit analysis were used to explore factors affecting the success of the products.

Results

100 – 250 words

The analysis revealed an overall rate of success of 36.1 per cent with high dispersion by product category (ranging from 0 to 80 per cent). New products and relaunching of products show the lowest rate of success (28.5 and 28.6 per cent, respectively). The dairy category with the highest number of products was spoonable yoghurt; however, its rate of success was 24.6 per cent, well below the average for dairy products. The health and sustainable attribute whilst important do not explain the differences observed in the rate of success. Thus, health and sustainable attributes appear as important in the successful products as well as the others. Other variables explored in the analysis were the type of launching (e.g., new products, relaunching, new packaging, new variety ranging) and whether the product launched was branded or private label. None of these were useful to discriminate between the degrees of success categories.

Discussion and Conclusion

100 – 250 words

The results indicate that despite that firms engage in competition through the introduction of new products, the overall rate of success of 36.1 per cent is relatively low and most of the products last well less than the 4 years span from 2012 to 2015. However, on the positive side, it is clear the interest on introducing products with health and sustainable attributes. However, the results also indicate that firms expecting to increase the success rate due to the inclusion of health or sustainability related attributes, may not be correct as both attributes are becoming increasingly standard in dairy products and therefore provide little differentiation.