

PRODUCT DEVELOPMENT STRATEGY IN MARKETING MANAGEMENT: A CASE IN THE FOOD AND BEVERAGE INDUSTRY

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Abstract

This study aims to analyze product development strategies in marketing management, focusing on the food and beverage industry. The research method employed is a qualitative case study, where data were collected through in-depth interviews with product managers and document analysis from several leading companies in the industry. The study identifies various product development strategies implemented, including product innovation, diversification, and adaptation to market trends. The results indicate that continuous product innovation and responsiveness to changing consumer preferences are key factors in maintaining company competitiveness. Furthermore, product diversification that considers market segmentation is proven effective in expanding market share and enhancing consumer loyalty. In conclusion, proactive and adaptive product development strategies play a crucial role in the success of marketing management in the food and beverage industry. This research provides practical insights for product managers and marketers to design more effective product development strategies in line with market dynamics.

Keywords: *Product Development Strategy, Marketing Management, Food And Beverage Industry*

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This study aims to analyze product development strategies in marketing management, focusing on the food and beverage industry. The research method used is a qualitative case study, where data were collected through in-depth interviews with product managers and analysis of company documents at several leading companies in the industry. This study identifies various product development strategies implemented, including product innovation, diversification, and adaptation to market trends. The results show that continuous product innovation and responsiveness to changes in consumer preferences are key factors in maintaining company competitiveness. In addition, product diversification that pays attention to market segmentation has proven effective in expanding market share and increasing consumer loyalty. In conclusion, proactive and adaptive product development strategies play a crucial role in successful marketing management in the food and beverage industry. This study provides practical insights for product managers and marketers to design more effective product development strategies that are in line with market dynamics.

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INTRODUCTION

Product development is a key element in marketing management, aiming to create added value for consumers and enhance company competitiveness. According to Kotler and Keller (2016), product development strategy involves the process of planning, developing, and launching new products or improving existing ones to meet evolving market needs. In the food and beverage industry, rapid market dynamics and changing consumer preferences require companies to continuously innovate and adapt their products (Grunert, 2005).

Product innovation theory states that new product development must consider factors such as technology, consumer needs, and market conditions (Trott, 2017). Day (1994) also emphasized the importance of a deep understanding of consumer behavior and market trends in formulating effective product development strategies. In the context of the food and beverage industry, research shows that the success of product innovation depends heavily on a company's ability to understand changing consumer tastes and preferences and adapt their products to those needs (Rogers, 2003).

Product diversification is also an important strategy used to expand market share and reduce business risk. Ansoff (1957) developed a strategy matrix that identifies diversification as one approach to business growth, involving the introduction of new products into existing markets or entry into new markets with existing products. In the food and beverage industry, diversification can include the introduction of new flavors, organic products, or products with specific health claims that align with current consumer trends (Kahn, 2018).

This research focuses on analyzing product development strategies implemented by companies in the food and beverage industry. Using a case study approach, this research will explore how companies develop and implement these strategies to achieve competitive advantage and meet dynamic market needs.

RESEARCH METHODS

This research uses a qualitative approach with a case study design to examine product development strategies in marketing management in the food and beverage industry. This approach was chosen because it allows researchers to gain an in-depth understanding of the processes, dynamics, and specific contexts of product development strategies implemented by companies in the industry.

1. Development Method

This study used a case-based development method, where data was collected from several leading companies in the food and beverage industry. Each case was analyzed individually to identify the strategies used, then compared to identify common patterns and themes relevant to the research objectives.

2. Kind of Variable

This study focuses on two main types of variables: independent variables and dependent variables. The independent variable in this study is product development strategy, which includes product innovation, product diversification, and adaptation to market trends. The dependent variable is the outcome of implementing these strategies, as measured by increased market share, customer satisfaction, and the company's financial performance.

3. Pengumpulan Data

Data was collected through in - depth interviews and document analysis . In-depth interviews were conducted with product managers, marketing managers, and company executives involved in product development. Interview questions were semi-structured to allow flexibility in exploring issues that emerged during the interviews. Additionally, document analysis was conducted on annual reports, company presentations, and marketing materials to obtain additional relevant data.

4. Technique Pengolahan dan Verifikasi Data

Data obtained from interviews and documents were analyzed using thematic analysis. This process involved coding the data, identifying key themes, and developing a narrative describing the company's product development strategy. To ensure data validity and reliability, triangulation was performed by comparing findings from various data sources. Additionally, member checking was conducted by asking respondents to review and confirm the research findings.

The analyzed data is then interpreted to answer the research questions and achieve the research objectives. The results of the thematic analysis are integrated into the existing theoretical framework, and the practical and theoretical implications of the research findings are discussed in depth.

RESULTS AND DISCUSSION

This study aims to identify and analyze product development strategies within marketing management implemented by companies in the food and beverage industry. Data were collected through in-depth interviews and document analysis at several leading companies. The following are the results and discussion of the research findings.

1. Results

a. Product Innovation

The research results show that product innovation is a key strategy implemented by companies to maintain competitiveness . This innovation includes developing new products with healthier ingredients , new flavor variations , and attractive packaging . One of the companies interviewed, for example, launched a health drink formulated with natural ingredients and without added sugar. This innovation successfully increased sales and attracted a health-conscious consumer segment.

Table 1. Product Innovation Interview Results

No	Company	Types of Product Innovation	Description	Hasil Inovasi
1	Company A	Health Drink Products	Launching a health drink with natural ingredients and without added sugar.	Sales increased by 25% in the first six months.
2	Company B	Snacks with a Variety of Flavors New	Introducing a new flavor variant every six months once.	Increase consumer enthusiasm and expand market reach .
3	Company C	Product Organic	Develop lini produk	Attracting segments consumers who care

			organic, including snacks and drink.	health, increased product sales organic is 30%.
4	Company D	Gluten- Free Products	Launching free products gluten to meet consumer needs with gluten intolerance .	Increased market share in the consumer segment with special dietary needs .
5	Company E	Reduction of Sugar Content	Reducing the sugar content in food and beverage products, and adding more nutrition.	Increased consumer loyalty and brand image as healthy food producers .
6	Company F	Innovative Packaging	Develop more attractive and friendly packaging environment.	Increase product appeal on store shelves, as well as support sustainability initiatives company.
7	Company G	Collaboration with Nutritionists	Collaborate with nutritionists to ensure the products developed not only delicious but also healthy.	Increase consumer confidence in product health claims .

From the table above , it can be explained as follows:

- Company A: A product innovation in the form of a health drink made with natural ingredients and no added sugar resulted in a 25% increase in sales in the first six months. This demonstrates that consumers are highly responsive to health products.
- Company B: Introduces a new flavor every six months. This strategy increases consumer enthusiasm and expands market reach, demonstrating that flavor variety is important for attracting and retaining consumers.
- Company C: Developing an organic product line successfully attracted a health-conscious consumer segment, with a 30% increase in organic product sales. This indicates high demand for organic products.
- Company D: Launched gluten-free products to meet the needs of consumers with gluten intolerance, resulting in increased market share in the segment of consumers with special dietary needs.
- Company E: Reduce sugar content in food and beverage products and add more nutrients , increase consumer loyalty and brand image as a healthy food producer.

- Company F: Develop more attractive and environmentally friendly packaging, increase product appeal on store shelves and support the company's sustainability initiatives.
- Company G: Collaborating with nutritionists ensures the products developed are not only delicious but also healthy, increasing consumer confidence in the product's health claims .

b. Product Diversification

Product diversification has also been found to be an effective strategy for increasing market share. Companies introduce various product variants to meet diverse consumer preferences. For example, a snack company might introduce a new flavor every six months to maintain consumer enthusiasm and expand market reach. Furthermore, diversification involves developing entirely new product lines , such as organic or gluten - free products, which are increasingly in demand by consumers.

Product Diversification to Reach a Wider Market

Product diversification has been found to be a highly effective strategy for increasing market share and attracting new customers. Research shows that companies in the food and beverage industry implement product diversification in several key ways:

1. Introduction of Varian Rasa Baru
 - Explanation: Many companies introduce new flavors periodically , for example every six months . This strategy aims to maintain consumer interest and enthusiasm for existing products.
 - Implications: By offering new flavors, companies can maintain consumer loyalty and attract a wider market segment. Consumers tend to be interested in trying something new , so new flavors help maintain product relevance in a competitive market.
2. New Product Line Development
 - Explanation: Some companies expand their portfolios by developing entirely new product lines, such as organic or gluten-free products. This move is often based on analysis of market trends and consumer preferences.
 - Implications: New product lines allow companies to target specific consumer segments, such as those who are health-conscious or have special dietary needs. This not only helps increase sales but also strengthens the brand's image as an innovator in the industry.
3. Product Adjustment Based on Consumer Trends
 - Explanation: Companies that respond to consumer trends, such as increased demand for healthy or environmentally friendly products, tend to be more successful in product diversification . For example, companies that reduce sugar content and increase nutritional content in their products.
 - Implications: This adaptation not only increases the product's appeal to increasingly health-conscious consumers, but also helps companies meet increasingly stringent health and environmental regulations.

Benefits of Product Diversification

1. **Reducing Business Risk**
Product diversification helps companies reduce their reliance on a single product or market. By having a variety of products, companies can spread their risk and be more resilient to market fluctuations affecting a specific segment.
2. **Increase Market Share**
Introducing new products or new variants helps companies attract new customers and increase sales. It also allows companies to enter new market segments that were previously unreachable.
3. **Strengthening Consumer Loyalty**
By continually offering innovation and new options, companies can increase consumer loyalty. Consumers who perceive a brand as consistently introducing new products relevant to their needs are more likely to remain loyal.
4. **Expanding Brand Image**
Product diversification can help companies strengthen and expand their brand image. For example, by developing organic or eco- friendly products , companies can build a reputation as health- and environmentally conscious producers.

c. Adaptation to Market Trends

Adapting to market trends is key to product development strategies. Companies actively monitor consumer trends and adapt their products according to changing market preferences . For example, increasing health awareness among consumers is driving companies to reduce sugar content and add more nutrients to their products. One company even collaborates with nutritionists to ensure that the products they develop are not only delicious but also healthy .

Table 2. Adaptasi Terhadap Train Pass

No	Company	Types of Adaptation	Description	Adaptation Results
1	Company A	Reducing Sugar Content and Adding Nutrients	Reducing the sugar content in beverage products and adding more nutrients such as fiber, vitamins, and minerals.	Increased sales by 20%, increased customer loyalty and satisfaction.
2	Company B	Environmentally Friendly Product Development	Developing products with organic raw materials and recyclable packaging .	Increased brand image, media attention and sales by 15% in first year of launch.
3	Company C	Collaboration with	Collaborate with nutritionists for	Increased trust consumer,

No	Company	Strategy	Impact	Result
1	Company A	Nutritionist Collaboration	healthy and delicious cereal products .	by 25%, the award as best innovative products .
2	Company B	Environmentally Friendly Product Development	Using organic raw materials and recyclable packaging .	Improved brand image , positive media attention , and a 15% increase in sales within the first year of launch.
3	Company C	Collaboration with Nutritionists and Nutritionists	Collaborating with nutritionists to develop healthy and delicious cereal products.	Increased consumer confidence in health claims, a 25% increase in sales, and an award for best innovative product.
4	Company D	Market Trend Monitoring and Analysis	Monitor consumer trends through surveys, sales data analysis, and social media monitoring to adjust development strategies. <u>product.</u>	Quick response to market changes, launch of vegan food products that are very well received by the market.

From the table above it can be explained as follows :

- Company A : Sugar Reduction and Nutritional Enhancement
Description: Reduced sugar content and added nutrients to beverage products. Results: 20 % increase in sales and increased customer loyalty and satisfaction .
- Company B: Environmentally Friendly Product Development
Description : Using organic raw materials and recyclable packaging .
Results: Improved brand image , positive media attention , and a 15% increase in sales within the first year of launch.
- Company C : Collaboration with Nutritionists and Nutritionists
Description: Collaborating with nutritionists to develop healthy and delicious cereal products.
Results: Increased consumer confidence in health claims, a 25% increase in sales, and an award for best innovative product.
- Company D: Market Trend Monitoring and Analysis
Description: Monitor consumer trends through surveys, sales data analysis, and social media monitoring.
Results: Quick response to market changes , with the launch of vegan food products that were very well received by the market.

2. Discussion

a. Product Innovation as the Main Driver

Product innovation has been shown to be a key driver of product development strategy in the food and beverage industry. According to Trott's (2017) theory of product innovation, companies that continuously innovate tend to have a greater competitive advantage. This research supports the view that innovation, whether in the form of new product development or improvements to existing products, is crucial in meeting the ever-changing needs and desires of consumers.

b. b Product Diversification to Reach a Wider Market

Product diversification allows companies to reduce business risks and capitalize on broader market opportunities. Ansoff (1957) suggested that diversification is an effective growth strategy, particularly in dynamic industries such as food and beverages. The results of this study indicate that companies that implement diversification, either through product introduction or through product development, have a higher chance of success.



c. Adaptasi terhadap Tren Pasar sebagai Respons Strategis

Adapting to market trends emphasizes the importance of company responsiveness to changing consumer preferences. Day (1994) emphasized that companies that understand consumer behavior and market trends can develop more effective strategies. This study found that companies that actively monitor trends and adapt their products, such as reducing sugar content and adding nutrients, are more successful in meeting consumer expectations and increasing customer satisfaction.

CONCLUSION AND RECOMMENDATIONS

1. Conclusion

This study examines product development strategies in marketing management implemented by companies in the food and beverage industry. Based on the research findings, which encompass product innovation, product diversification, and adaptation to market trends, the following conclusions can be drawn:

- a. **Product Innovation:** Product innovation is a key element driving a company's growth and competitiveness . By developing new , healthy products, offering exciting flavors , and implementing innovative packaging, companies can increase sales and consumer loyalty .
- b. **Product Diversification:** Product diversification helps companies expand market share and reduce business risk . By introducing new variants and developing new product lines that align with consumer preferences, companies can appeal to a wider market segment and increase revenue.
- c. **Adapting to Market Trends :** A company's ability to adapt to market trends is crucial in product development. Companies that respond to changing consumer preferences, such as the demand for healthier and more environmentally friendly products , can enhance their brand image and attract more consumers.

Overall, these strategies enable companies to remain relevant and competitive in a dynamic marketplace. Implementing appropriate strategies for innovation , diversification , and adapting to market trends has proven effective in meeting ever - changing consumer needs and improving company performance .

2. Suggestions

Based on the findings of this study, some suggestions that can be given to companies in the food and beverage industry are:

- a. **Focus on Continuous Innovation:** Companies must continuously invest in research and development to create innovative products that meet consumer needs. Keeping up with the latest health and technology trends can help companies stay ahead of the competition.
- b. **Leverage Diversification to Minimize Risk:** Developing various product variants and entering new market segments can help companies reduce the risks associated with

with dependence on a single product or market. Diversification can also open up new revenue opportunities.

- c. **Actively Monitor and Respond to Market Trends** : Companies need to actively monitor market trends and changes in consumer preferences. Using analytical data and consumer feedback can help companies adjust their product strategies more quickly and effectively.
- d. **Collaboration with Experts**: Collaborating with nutritionists, dieticians, and other industry experts can help companies develop products that are not only delicious but also healthy and meet consumer needs. Expert-backed health claims can increase consumer confidence.
- e. **Pay Attention to Environmental Aspects** : Adopting environmentally friendly practices , such as using organic raw materials and recyclable packaging, can enhance brand image and attract consumers who care about environmental issues. Sustainability initiatives can also help companies comply with increasingly stringent regulations.

By following these suggestions, companies in the food and beverage industry can increase their competitiveness and meet evolving consumer expectations. Product development strategies focused on innovation, diversification, and adapting to market trends will be key to future success.

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