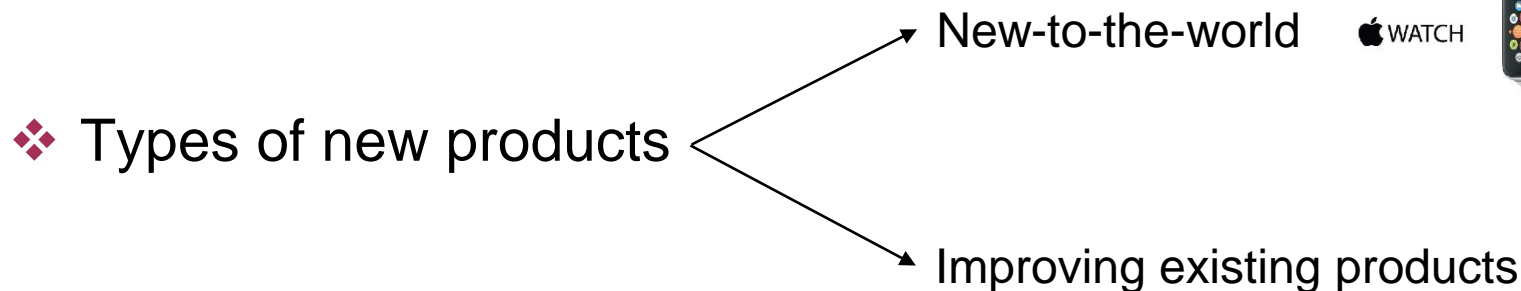
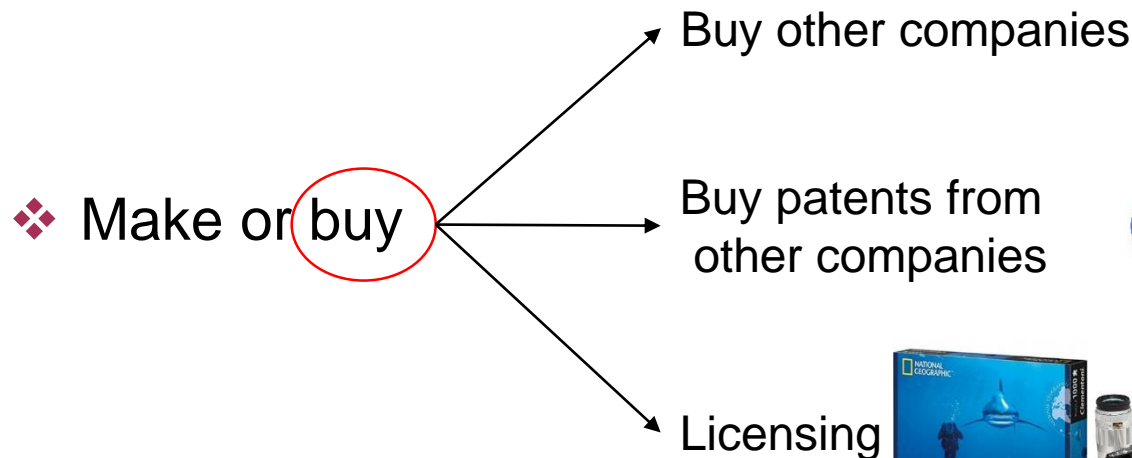


#15_Introducing New Market Offerings

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New-Product Options

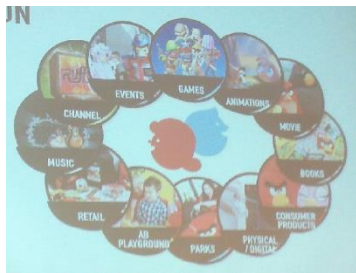


CHALLENGES IN NEW PRODUCT DEVELOPMENT

❖ The innovation imperative



❖ New product success (incremental technology vs disruptive)

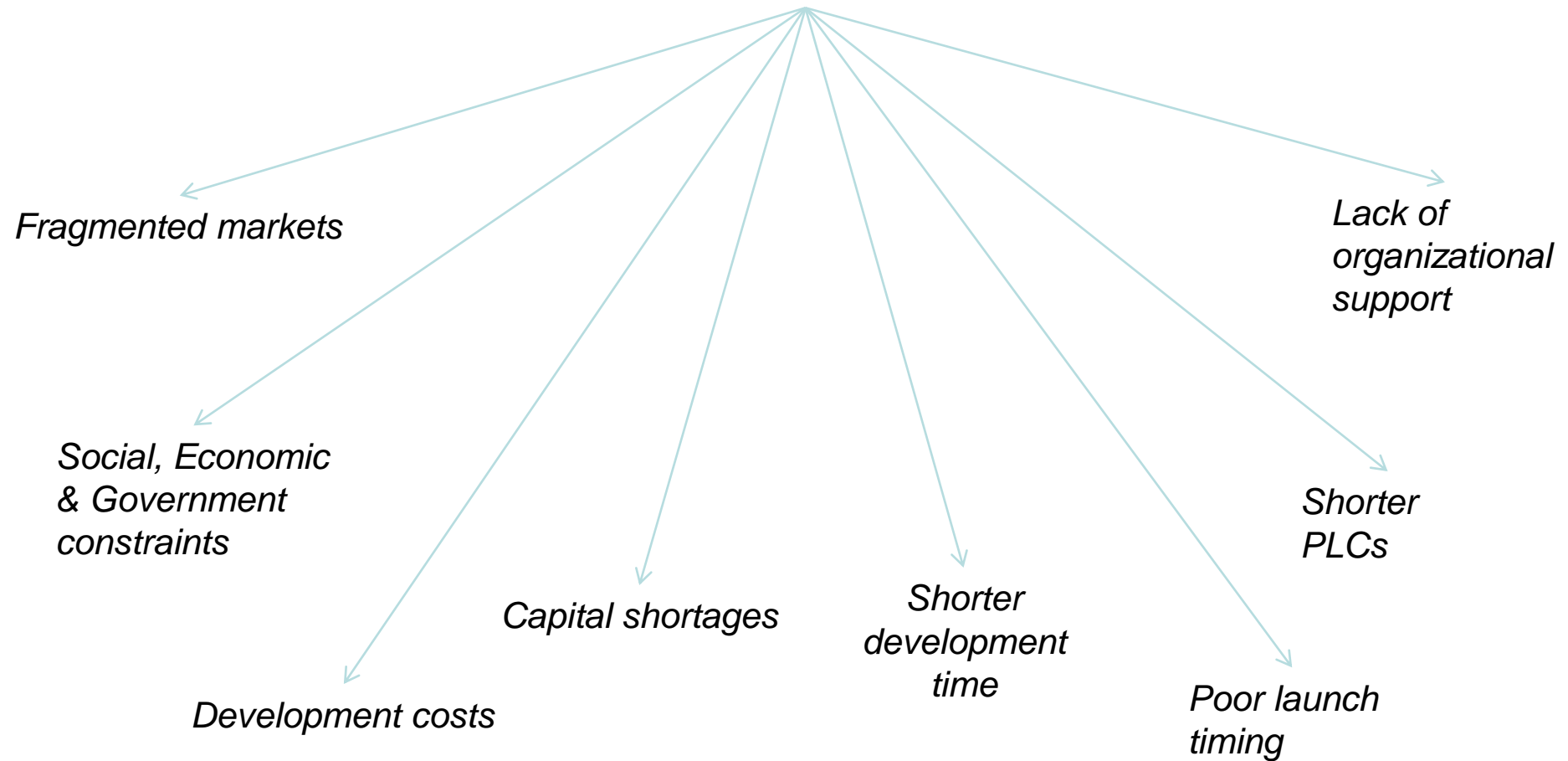


Amongst top 10 licensing brands in 2012!

1	1	2 998	6	1 402
2	2	2 978	7	1 350
3	3	2 314	8	1 327
4	4	2 237	9	859
5	5	2 131	10	729



New Product failure



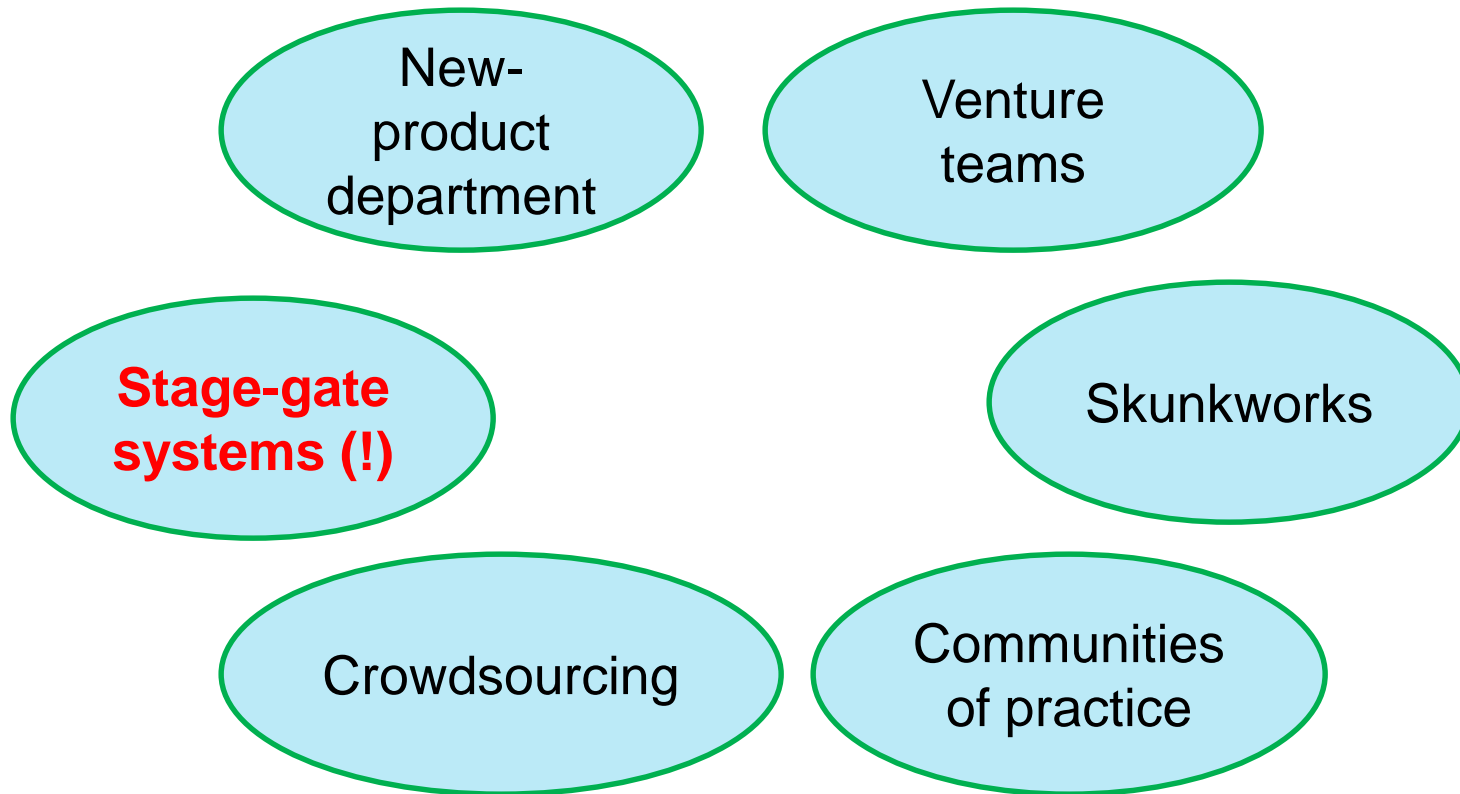
Budgeting for new product development

TABLE 15.1

Cost of Finding One Successful New Product
(Starting with 64 New Ideas)

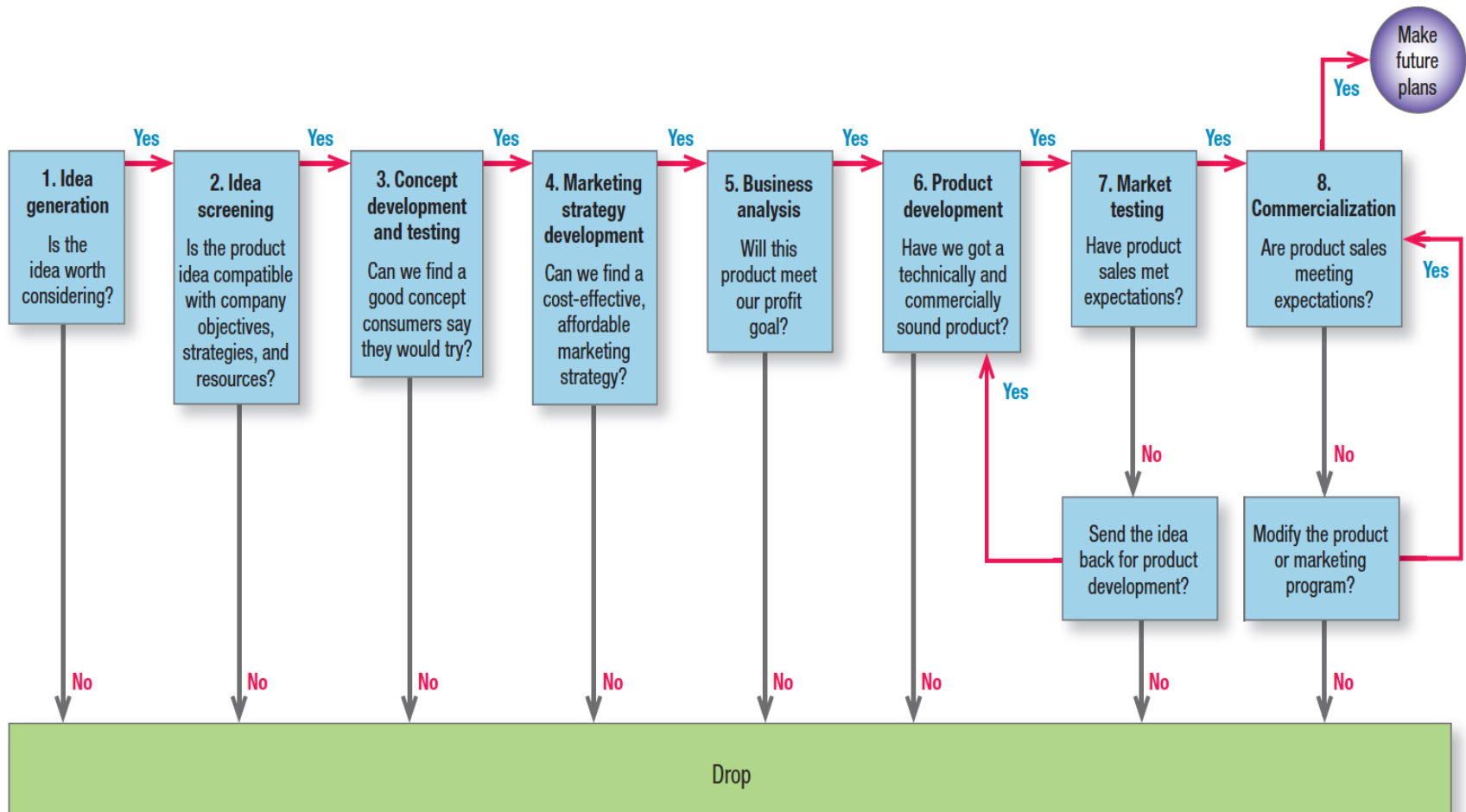
Stage	Number of Ideas	Pass Ratio	Cost per Product Idea	Total Cost
1. Idea screening	64	1:4	\$ 1,000	\$ 64,000
2. Concept testing	16	1:2	20,000	320,000
3. Product development	8	1:2	200,000	1,600,000
4. Test marketing	4	1:2	500,000	2,000,000
5. National launch	2	1:2	<u>5,000,000</u>	<u>10,000,000</u>
			\$5,721,000	\$13,984,000

Organizing new product development



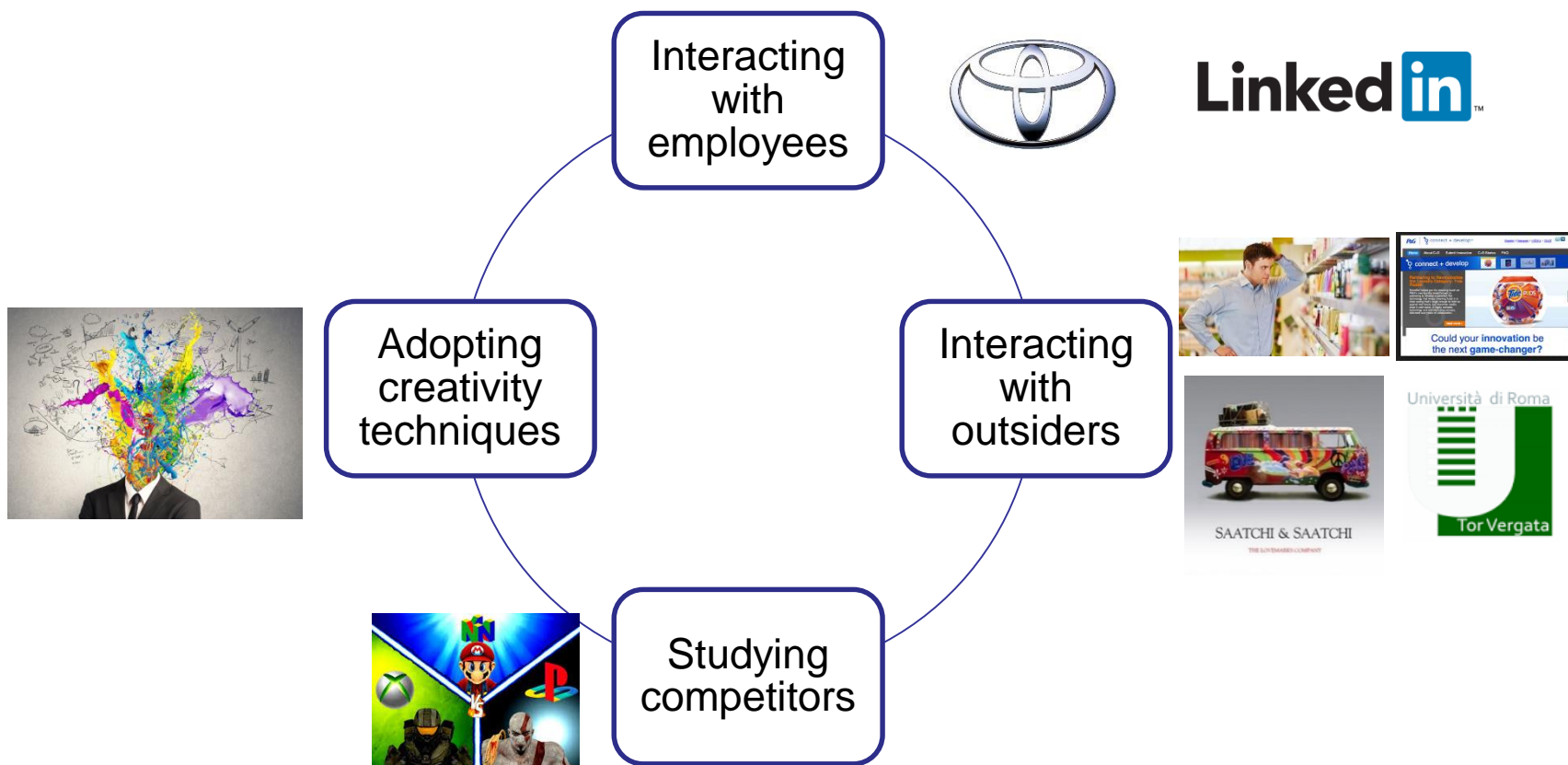


THE NEW PRODUCT DEVELOPMENT DECISION PROCESS



MANAGING THE DEVELOPMENT PROCESS: IDEAS

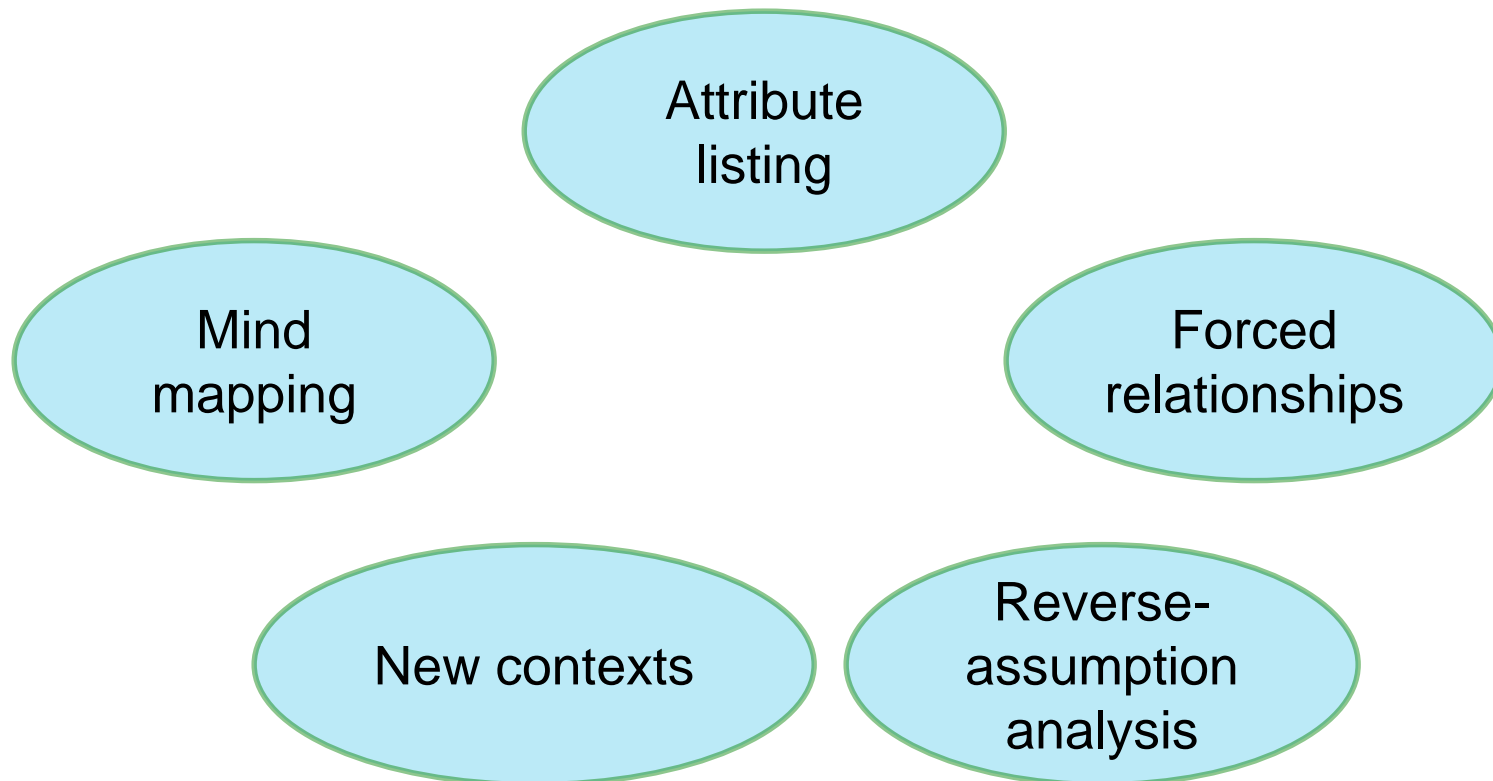
1. Generating ideas



Ways to draw new ideas from customers and consumers (1)

- Observe customers using product
- Ask customers about product problems
- Ask customers about dream products
- Use websites
- Form brand community of enthusiasts
- Challenge customers to improve product
- Survey consumers

Adopting creativity techniques (1)





Left brain

I am the left brain.

I am a scientist, a mathematician.

I view the beautiful. I categorize. I am accurate. Linear.

Analytical. Strategic. I am practical.

Always in control. A master of words and language.

Realistic. I calculate equations and play with numbers.

I am calm. I am logic.

I know exactly who I am.

Right brain

I am the right brain.

I am energetic. A free spirit. I am passion.

Imagining. Sensitivity. I am the world of meaning laughter.

I am creative. I am the world of sound. I am the world of color.

I am movement. I am colors.

I am the world to paint on an empty canvas.

I am beautiful. I am unique. I am the world of love.

I am everything I wanted to be.



Brainstorming



Post evaluation

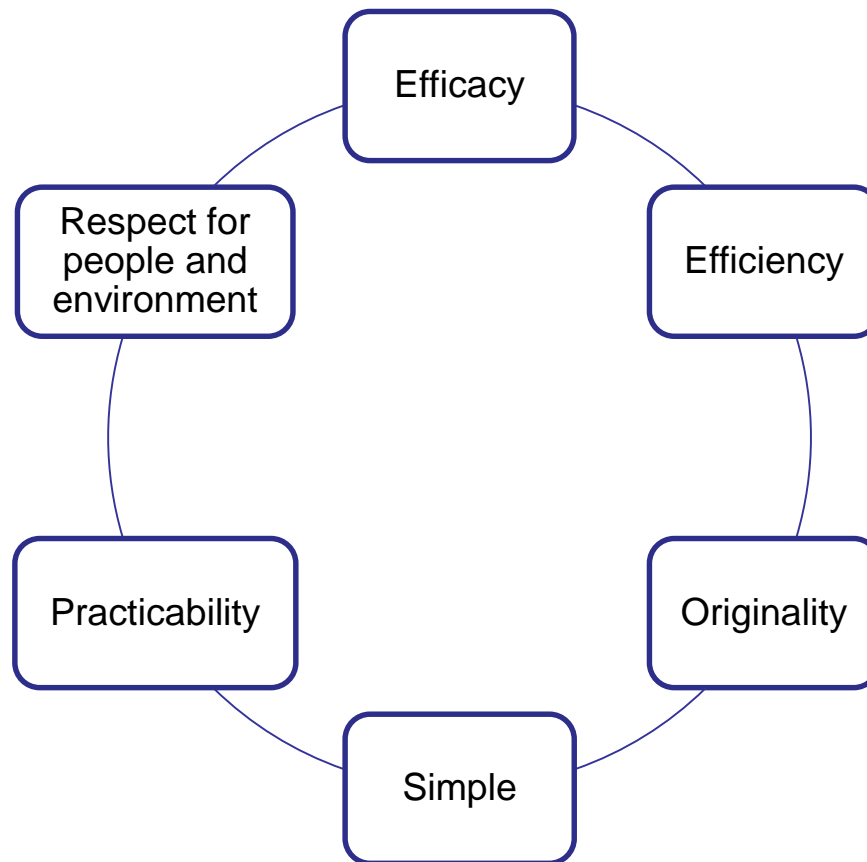
Look for quantity

Encourage unconventional ideas

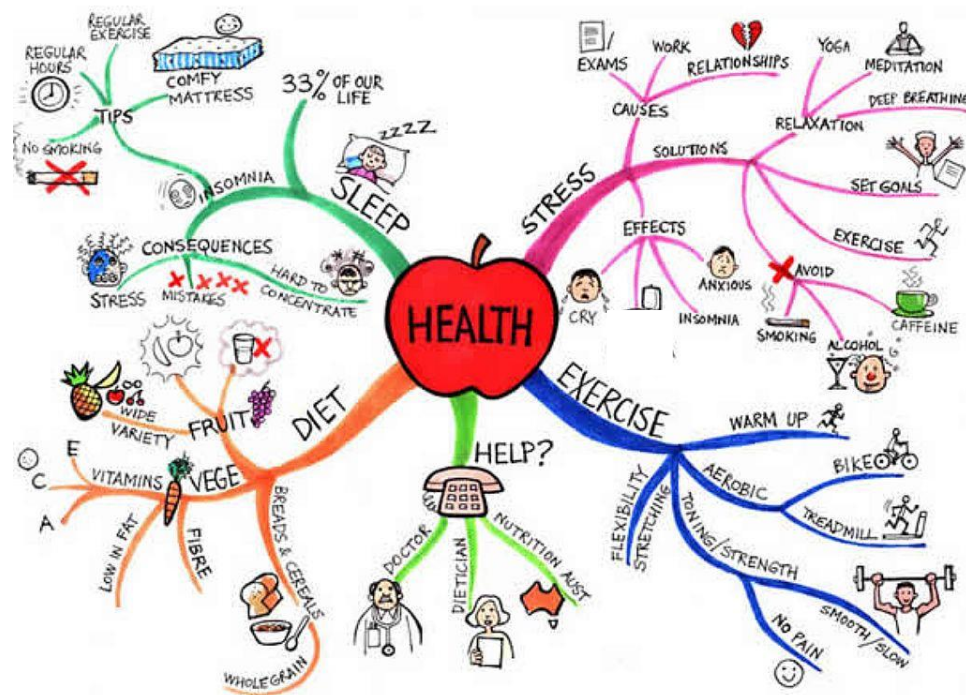
Build on other ideas

Clearness

Brainstorming (selection of ideas)

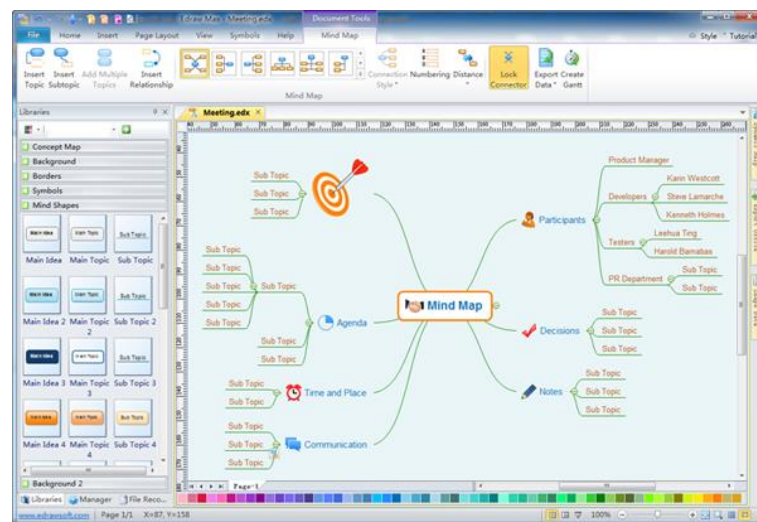
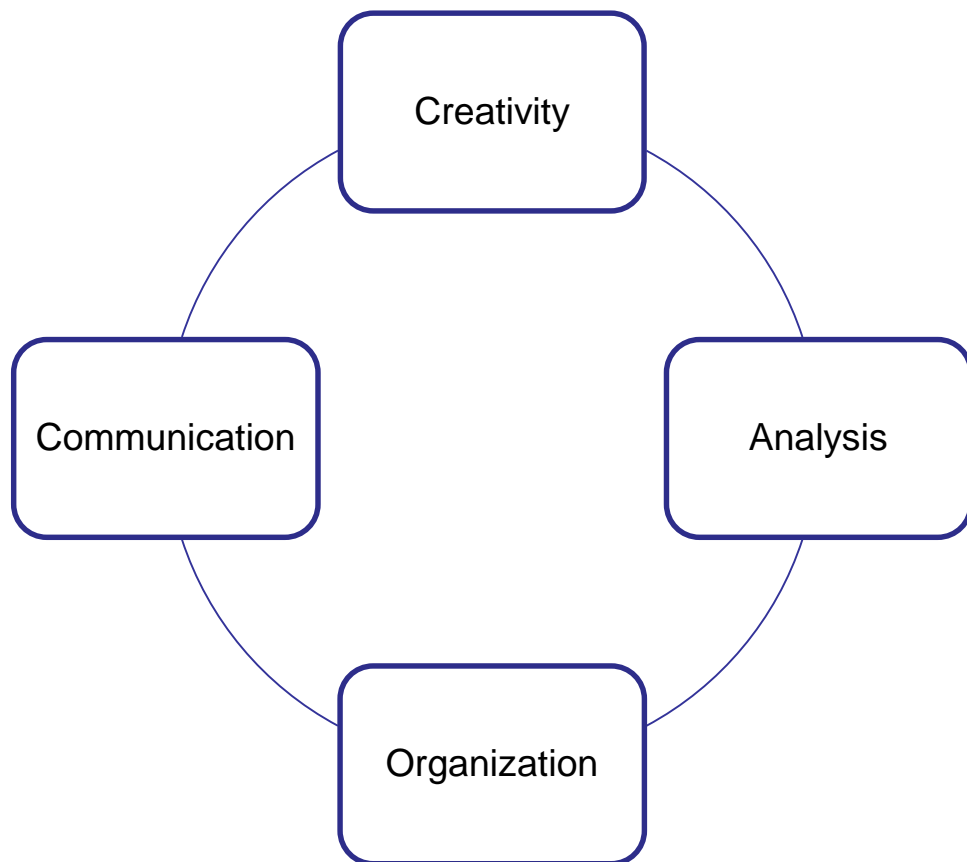


Mind Mapping

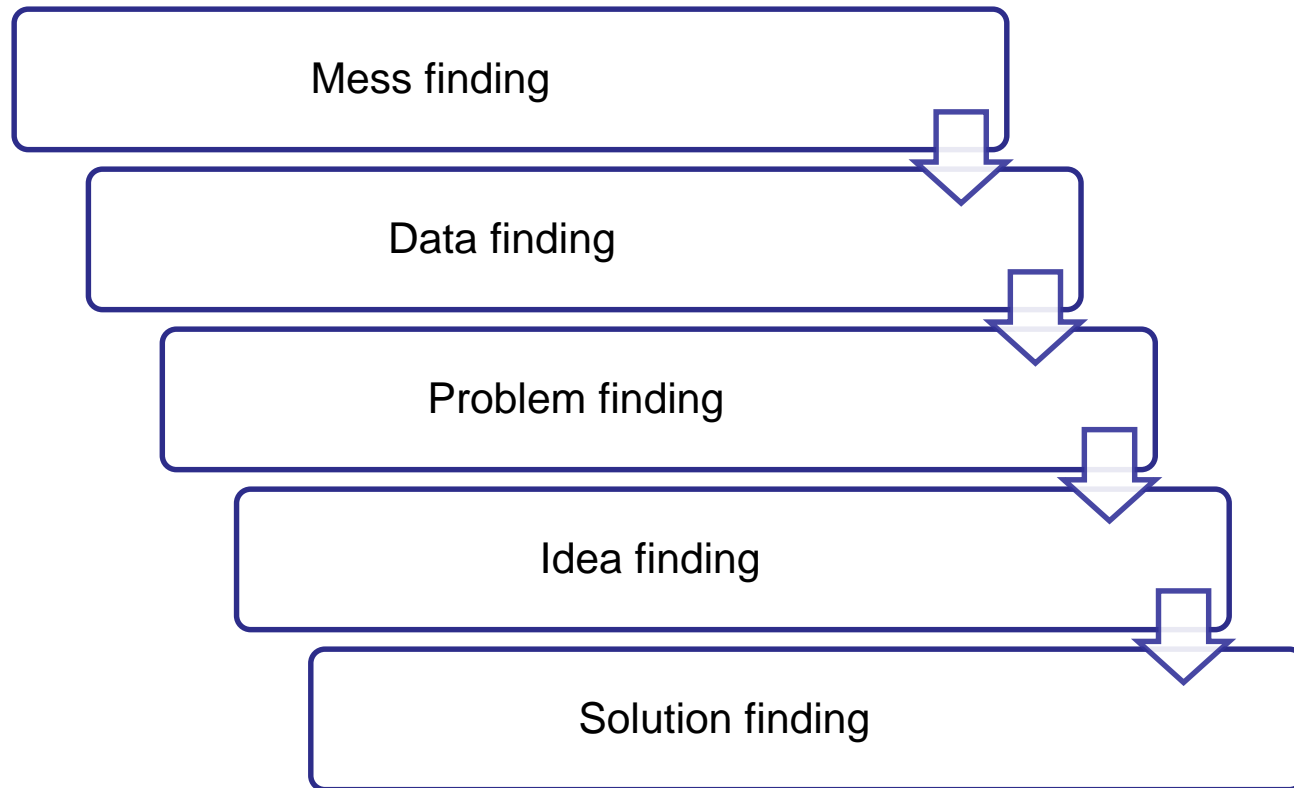


MANAGING THE DEVELOPMENT PROCESS: IDEAS

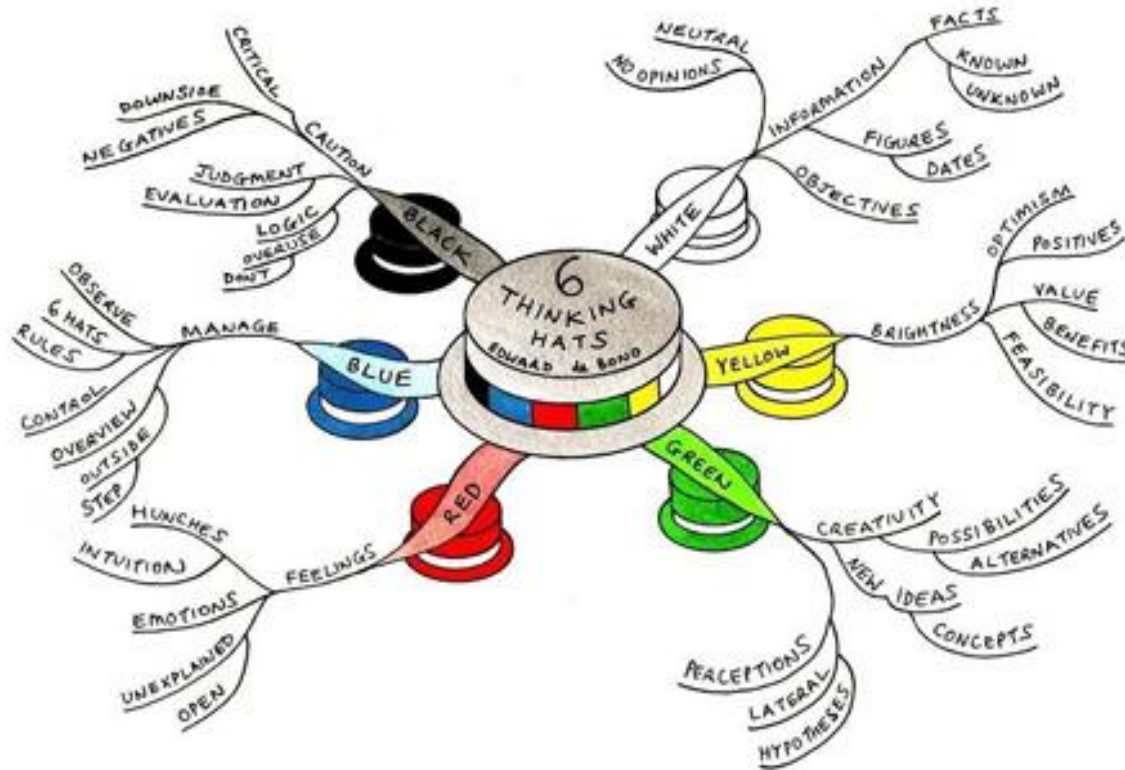
Mind Mapping



The Creative Problem Solving (CPS)



The Six Thinking Hats (de Bono)



2. Using idea screening

TABLE 15.2

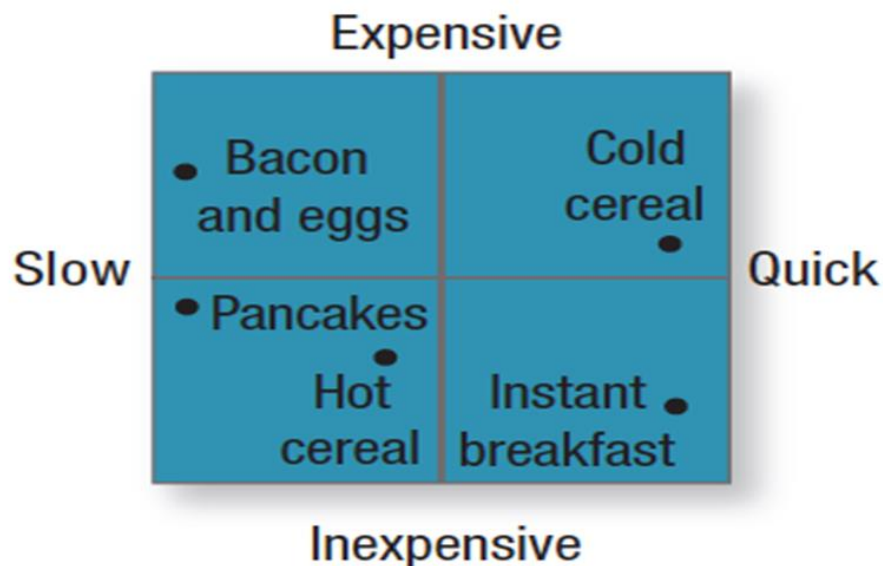
Product-Idea Rating Device

Product Success Requirements	Relative Weight (a)	Product Score (b)	Product Rating (c = a × b)
Unique or superior product	.40	.8	.32
High performance-to-cost ratio	.30	.6	.18
High marketing dollar support	.20	.7	.14
Lack of strong competition	.10	.5	.05
Total	1.00		.69

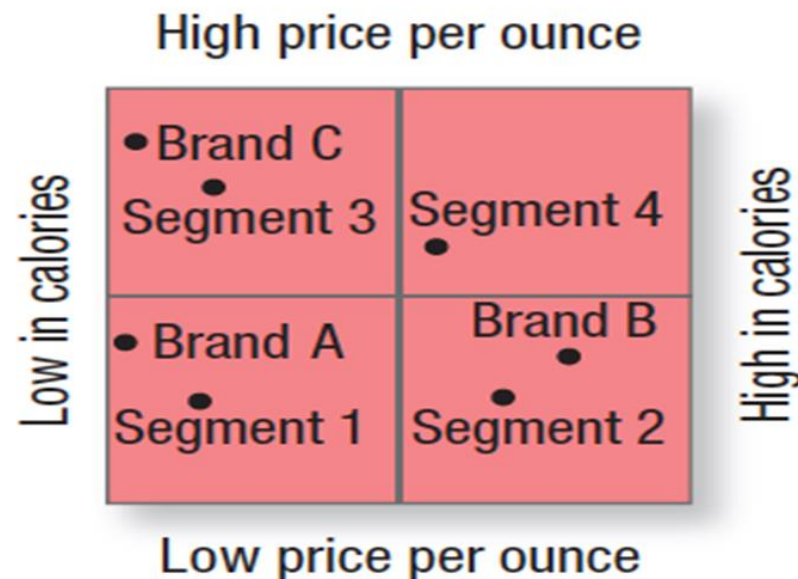
^a Rating scale: .00–.30 poor; .31–.60 fair; .61–.80 good. Minimum acceptance rate: .61

3. Concept Development (& Testing)

**(a) Product-positioning Map
(Breakfast Market)**



**(b) Brand-positioning Map
(Instant Breakfast Market)**



Concept Testing Responses (3)

Communicability & believability

Perceived value

Need level

Purchase intention

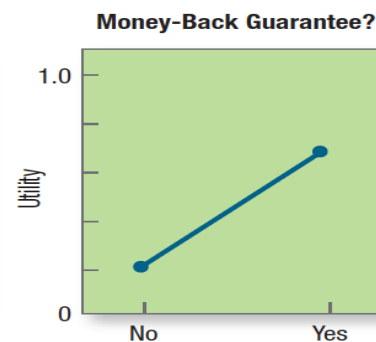
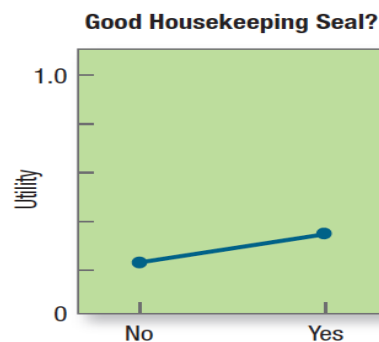
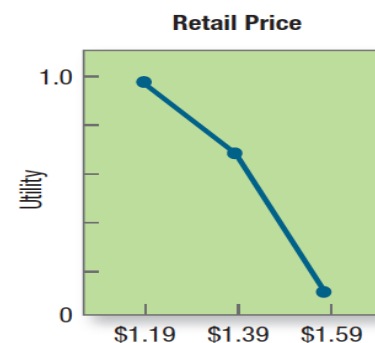
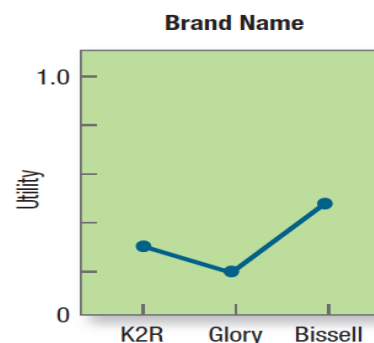
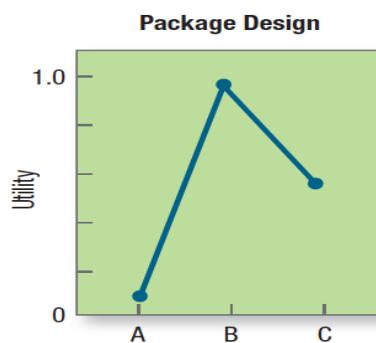
Gap level

User targets, purchase occasions
& frequency

Conjoint Analysis (3)



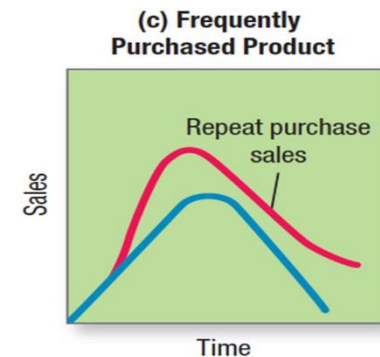
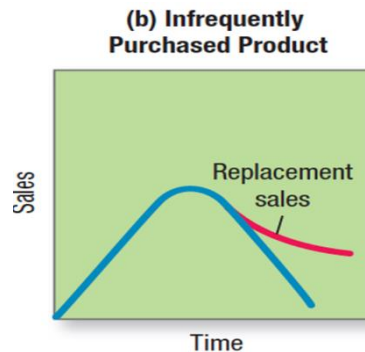
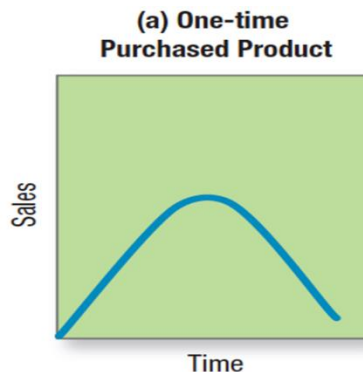
3 differing
packages,
brand names (K2R, Glory, Bissell)
and prices (1.19, 1.39, 1.59)



4. Marketing Strategy Development

1. Target market's size, structure, & behavior; the planned brand positioning; the sales, market share & profit goals in first few years.
2. Planned price, distribution strategy, and marketing budget for the first year
3. Marketing-mix strategy over time

5. Business Analysis



6. Product Development

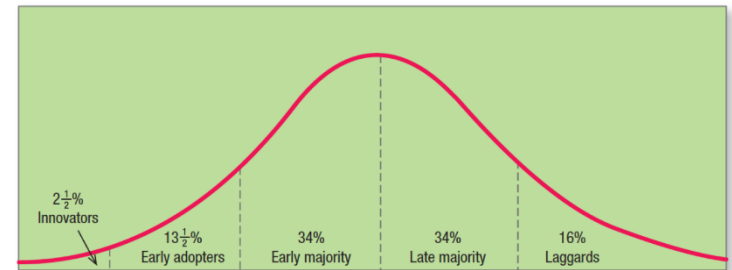
- ❖ Physical prototypes
- ❖ Customer tests: alpha & beta testing

7. Market Testing (consumer goods)

- ❖ Simulated Test Marketing
- ❖ Test Markets

8. Commercialization

- ❖ When (first, parallel, late entry)
- ❖ Where
- ❖ To whom
- ❖ How



Thank you for your kind attention!



(Have A Nice Day!)

(Have A Nice Day!)