



# **SNS B-SPINE**

**Coimbatore-35  
An Autonomous Institution**

## **DEPARTMENT OF MANAGEMENT STUDIES**

### **23BAT607 – MARKETING MANAGEMENT**

I YEAR I SEM

UNIT 4 – PRODUCT MANAGEMENT AND PRICING

TOPIC 3 – Product Planning and Development



- New Product Development Process refers to the method that an organization undertakes to introduce new products in the market.
- It is a strategic approach that involves various stages from idea generation to commercialization.

- The New Product Development Process begins with generating ideas and concludes with the successful launch and market entry of the product.
- It plays a crucial role in understanding market needs, consumer preferences, and competitive landscapes to deliver innovative and valuable products.

# Activity

Can u guess the steps involved in the Product Planning and development phase?





# Stage 1 - Idea Generation

- Idea Generation is the systematic process of generating new product ideas.
- Ideas can originate from **external sources** such as market research, customer feedback, and industry trends.
- **Internal sources** like employees, brainstorming sessions, and innovation workshops also contribute to idea generation.



# Example

Apple's iPhone: The idea originated from the vision of combining a phone, music player, and internet device into a single product.



# Stage 2 - Idea Screening

- Idea Screening involves evaluating and selecting the most promising ideas from the generated pool.
- Ideas are assessed based on their alignment with the company's objectives, market potential, feasibility, and profitability.
- This stage aims to filter out unviable or low-potential ideas to focus resources on the most promising ones.



# Example

Example: Tesla's electric vehicles. During idea screening, Tesla identified the potential of electric cars and discarded ideas that relied on traditional gasoline engines.





# Stage 3 - Concept Development and Testing

- Concept Development and Testing involve refining selected ideas into tangible product concepts.
- These concepts are further developed to include features, benefits, and target market specifications.
- The concepts are tested through market research, surveys, focus groups, and prototype testing to gather feedback and validate their appeal.



# Example

GoPro cameras. GoPro developed rugged, wearable cameras specifically targeting adventure enthusiasts after conducting extensive concept testing and market research.



# Stage 4 - Marketing Strategy Development



- Marketing Strategy Development is the stage where the overall marketing plan for the new product is formulated.
- It includes identifying the target market segment, determining pricing strategies, selecting distribution channels, and planning promotional activities.
- The marketing strategy ensures that the product is positioned effectively to meet customer needs and gain a competitive advantage.

# Example

**CASE STUDY: HOW RED BULL USED RUBBISH BINS TO ACHIEVE MARKETING SUCCESS**





# Stage 5 - Business Analysis



- Business Analysis involves assessing the financial viability of the new product.
- Factors such as production costs, expected sales volumes, pricing, and projected profits are evaluated.
- The analysis helps determine if the product aligns with the company's financial goals and if it is worth pursuing further.



# Example

Amazon Kindle e-reader. Amazon conducted a comprehensive business analysis to assess the market potential, production costs, and profitability of the Kindle before investing in its development and launch.

# Stage 6 - Product Development

- Product Development is the stage where the product idea is transformed into a tangible product through design, engineering, and manufacturing.
- Prototypes are developed, and extensive testing is conducted to ensure quality, functionality, and user experience.

# Example

Dyson vacuum cleaners.

Dyson's product development process involved extensive engineering and design work to create innovative, high-performance vacuum cleaners with advanced suction technology.





# Stage 7 - Test Marketing

- Test Marketing involves introducing the product to a limited market to gather real-world feedback and assess its market acceptance.
- It helps identify any potential issues, gather performance data, and fine-tune the marketing approach before a full-scale launch.

# Example

Oreo cookies.

Before launching globally, Oreo conducted test marketing in select markets to gauge consumer response, adapt flavors, and refine their marketing strategies.



# Stage 8 - Commercialization

- Commercialization is the final stage, where the new product is launched into the market.
- Factors such as timing, distribution channels, pricing, and promotional activities are carefully planned to maximize market penetration and customer adoption.

# Example

Oreo cookies.

Before launching globally, Oreo conducted test marketing in select markets to gauge consumer response, adapt flavors, and refine their marketing strategies.