



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.





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



- 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.





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



Stage 4 - Marketing Strategy Development

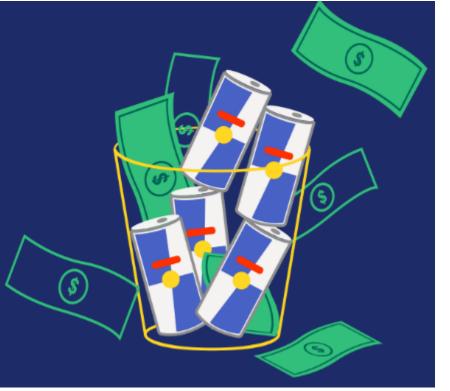
- Marketing Strategy Development is the stage where the overall marketing plan for the new product is formulated.
- It includes identifying the target market segment, determining pricing strategies, selecting distribution channels, and planning promotional activities.
- The marketing strategy ensures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







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





- 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.





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.





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 fullscale launch.





Oreo cookies.

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







• 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.





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