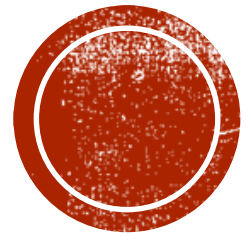


PRINCIPLES OF MARKETING

Ross Evans – 3/17/2015





NEW PRODUCT DEVELOPMENT

Strategy, Process and Product Life-Cycle

WHY DO WE “NEED” TO
DEVELOP NEW PRODUCTS?

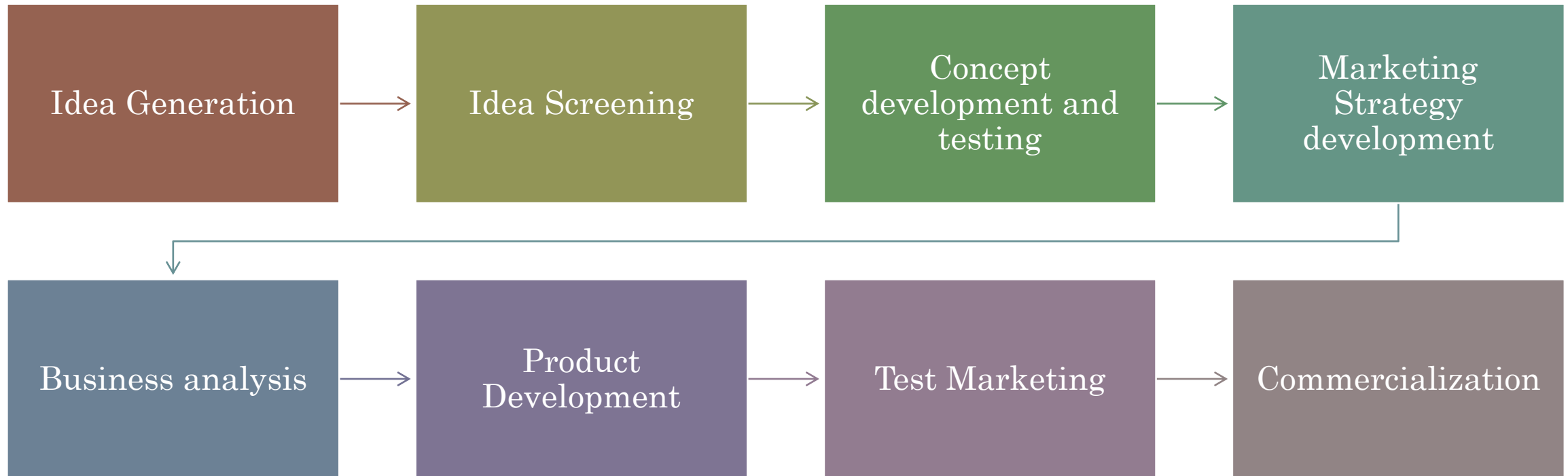


WHY DEVELOP NEW PRODUCTS?

- New Products Solve Problems for Customers
- New Products Bring Variety to Customers Lives
- New Products Help Companies Grow
- New Products Challenge Employees
- New Products can = New Revenue



NEW PRODUCT DEVELOPMENT PROCESS



WHERE DO IDEAS COME FROM?

- Internal Sources (R&D, product managers, designers)
- External Sources (distributors, suppliers and competitors)
- Crowdsourcing (you & me)



SCREENING IDEAS: R-W-W

- It's oversimplified, but R-W-W:
 - Is it **REAL**? Is there a real need?
 - Can we **WIN**? Does the product give us a competitive advantage?
 - **WORTH** doing? Is it profitable? Does it fit with the company's overall strategy?



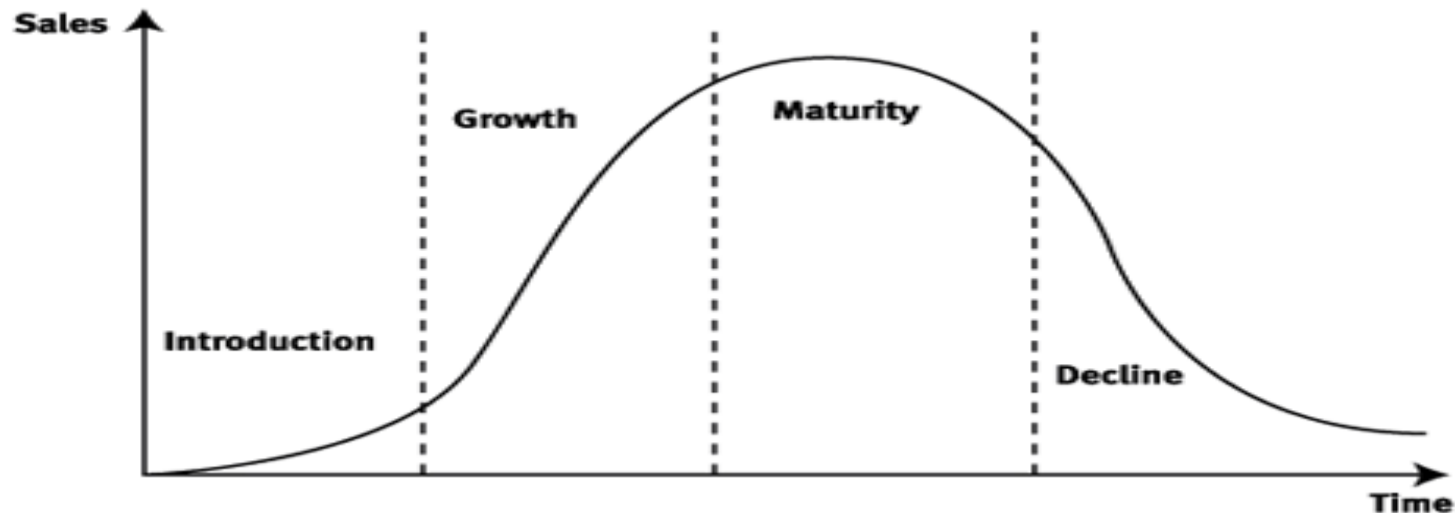
CONCEPT DEVELOPMENT

- Not made to consumer standards
- Typically, concepts are incredibly expensive
- Gives companies the ability to test the concept



MARKETING STRATEGY DEVELOPMENT

- We know we can make it, but now we need a place to sell it
 - What's the target market? What does the current market look like? What are sales goals?
 - What is the price, distribution strategy and budget?
 - What are long-term sales projections and profit goals?



BUSINESS ANALYSIS

- We have an idea...we know it fits with the brand...we know we can make....we know we can market it....but will we make money on?
 - Review sales, costs and profit projections for the new product



PRODUCT DEVELOPMENT

- Often times, up until this phase, concepts are on paper only and haven't taken shape, particularly in industries where overseas manufacturing takes place.
 - Product development is incredibly expensive and involves engineers, manufacturing specialists, designers and rigorous/multiple rounds of development.
 - Product development often involves testing for performance and construction.



TEST MARKETING

- FINALLY! The product and the marketing plan get put into place....in select markets.
- Test marketing literally tests everything:
 - Price
 - Advertising
 - Positioning
 - Product Performance Messaging
 - Branding



COMMERCIALIZATION

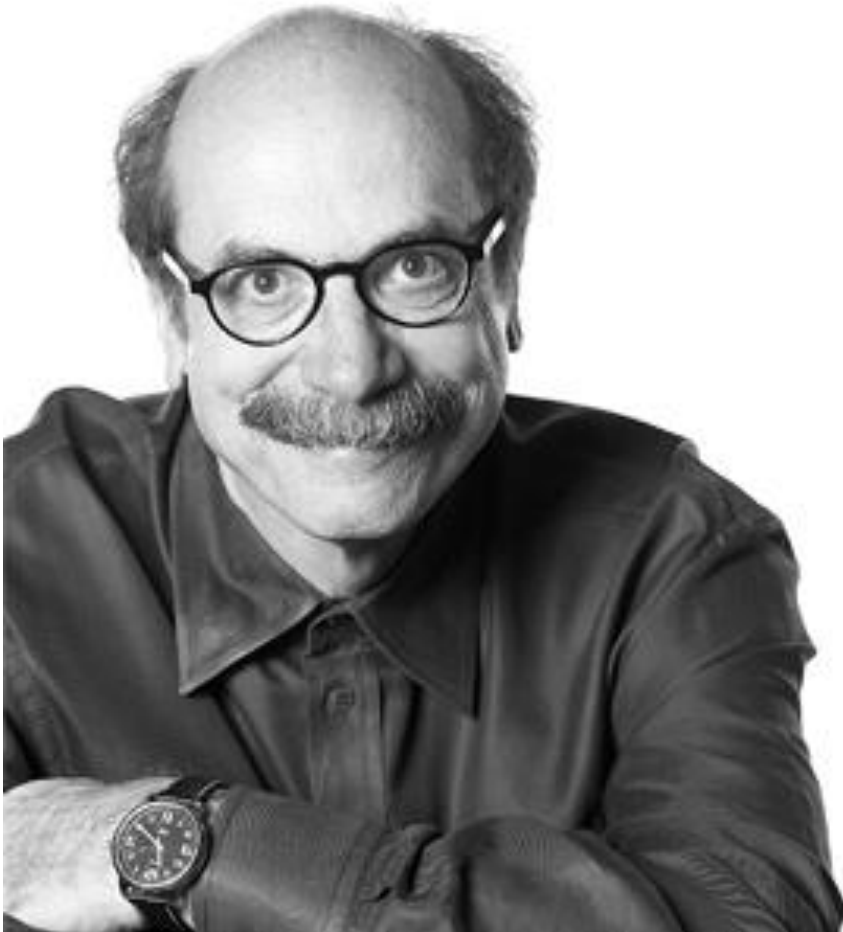
- From the test market, a company now determines if it will go forward with introducing the product into the marketplace.
 - Commercializing a product means investment:
 - National Distribution
 - Manufacturing
 - Warehousing
 - National Advertising
 - Customer Service



STYLE, FASHION & FADS



IDEO – DAVID KELLEY



IDEO – DAVID KELLEY



- Born in Ohio
- Initially worked as an electrical engineer for Boeing
- At Boeing, he was responsible for developing the “lavatory occupied” sign in the 747 airplane
- Shortly after, he left engineering and went into product design
- In 1991 merged his design firm with another firm and formed IDEO, product design and development firm
- David Kelley and IDEO are credited with designing the first Apple mouse, early smartphone Palm Treo and the thumbs up/thumbs down button on TiVo



IDEO – DAVID KELLEY

- On Product Development Process and Observation
- Designing Products vs. Designing Experiences
- How to Build Your Creative Confidence

