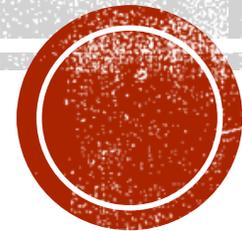
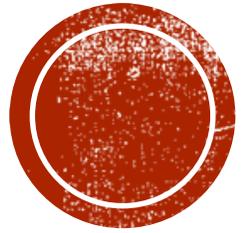


# PRINCIPLES OF MARKETING

Ross Evans – 3/17/2015





# NEW PRODUCT DEVELOPMENT

Strategy, Process and Product Life-Cycle

WHY DO WE “NEED” TO  
DEVELOP NEW PRODUCTS?

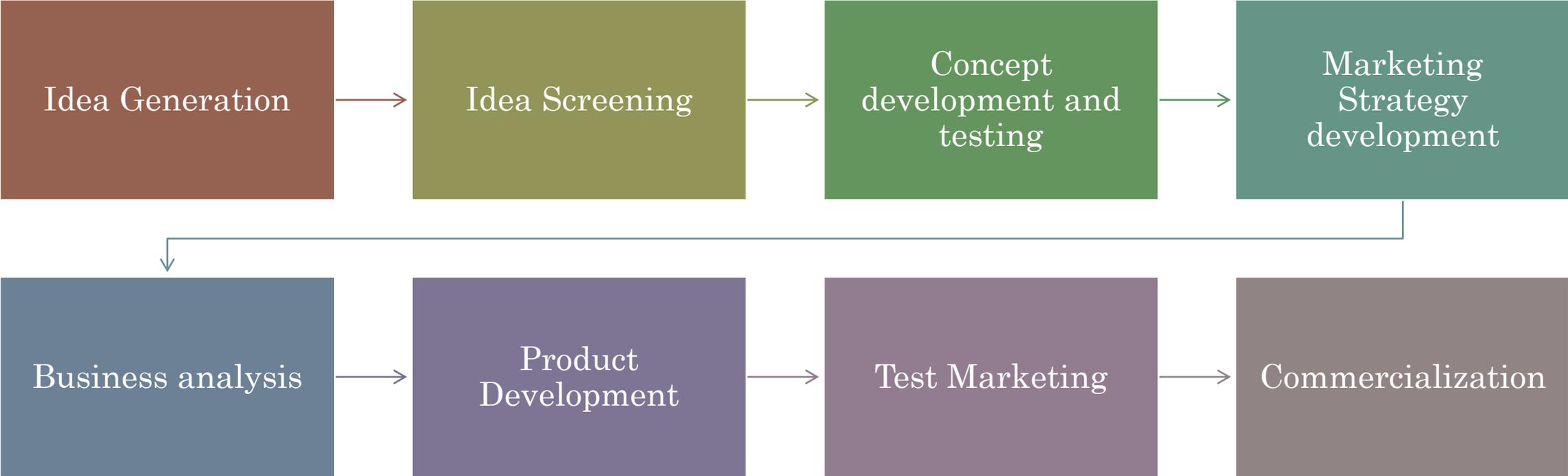


# WHY DEVELOP NEW PRODUCTS?

- 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?



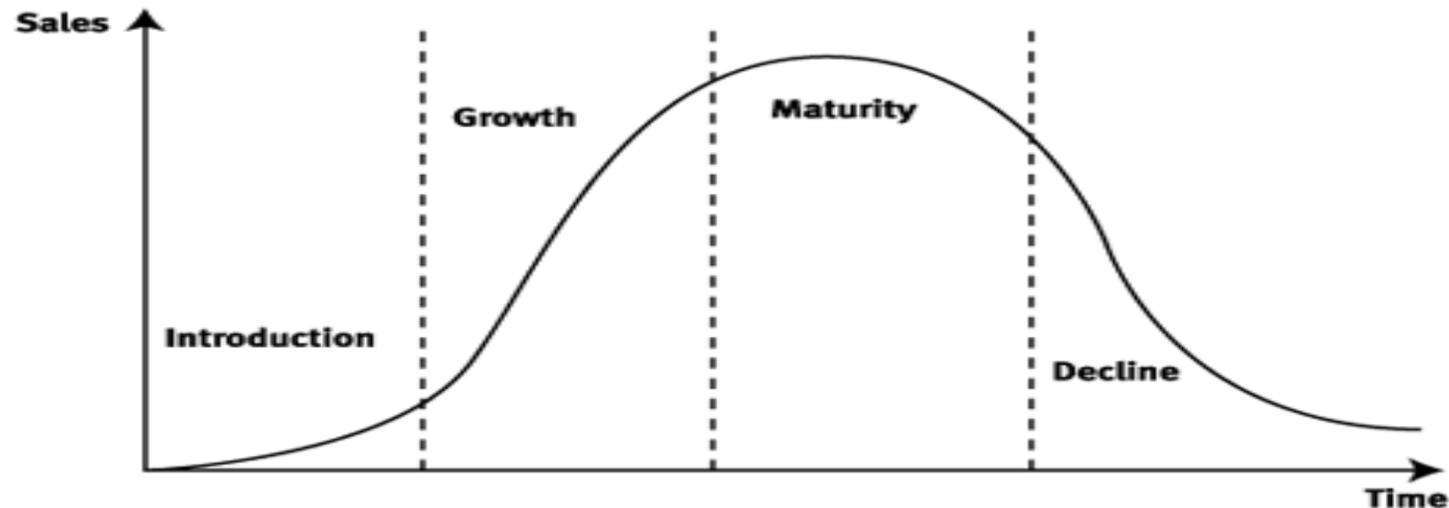
# CONCEPT DEVELOPMENT

- 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

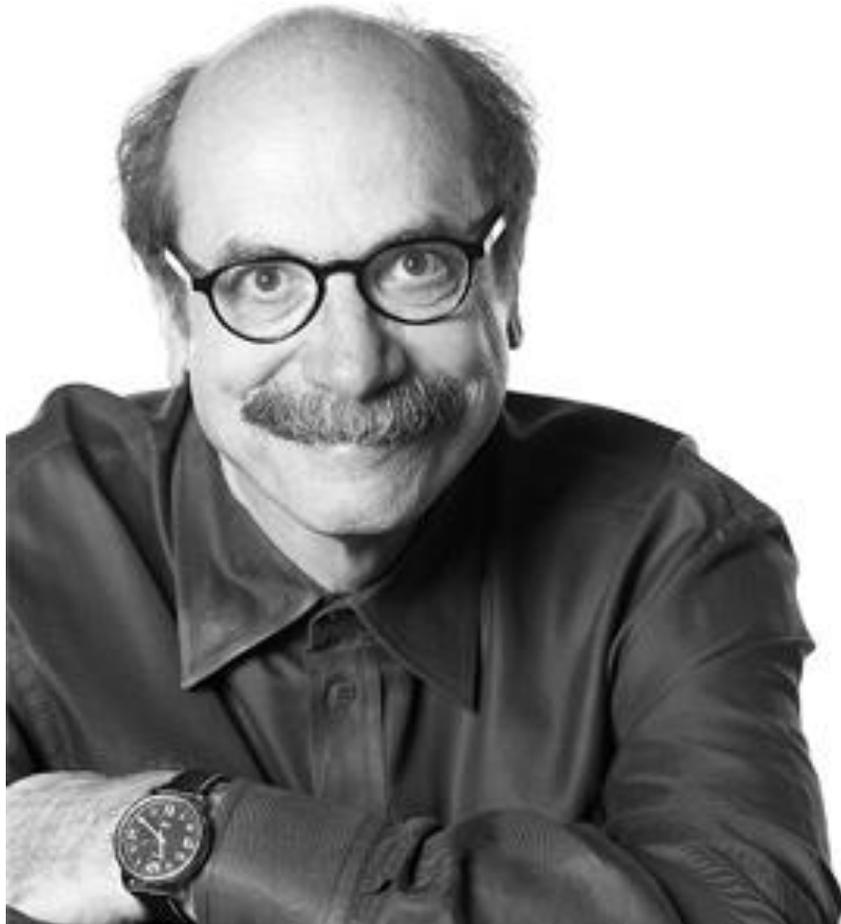
- From the test market, a company now determines if it will go forward with introducing the product into the marketplace.
  - Commercializing a product means investment:
    - National Distribution
    - Manufacturing
    - Warehousing
    - National Advertising
    - Customer Service



# 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

