

How to Introduce New Product Offerings

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The definition of new products defines a company's growth prospects. Transforming the way people perceive various new product and services can also help marketers pave way for product development. In fact marketers can participate in the product development process because the marketing insights which they possess can be really helpful in developing innovative products.

A firm needs to grow organically by introducing new models and projects to increase its annual turnover. For this, mere acquisition of multifarious brands won't suffice to inculcate variety in product deliverables. Delving deeper in search of novel products is the need of the hour. A new product development can be in-house or company can sign up with independent researchers.

New Product Offerings can be in form of replacing existing products with enhanced features or it can be a way of brand extension which literally would expand the definition of the existing product range.

Very few products which are successful are highly transformational and are actually new to everyone's way of perceiving things and which actually compels its competitors to react and respond drastically. For instance, Nike is competing with all segments of shoe manufacturers and its one of the latest innovations are racer shoes with a unique Fuel Band which can not only measure an individual's day output but are also eco friendly and create a unique racing experience too. These innovations are risky in the sense that they can be costly and can deplete company's financial resources if the said venture turns out to be wrong. But if it turns out to be a successful, they can have a favorable effect on company's image in a tremendous way.

There are potentially various techniques which a firm can employ to estimate demand before launching a new product in the market which shall be studied in depth in this chapter. Marketers, nowadays, are even ready and willing to pay to get their innovative products tested on prototype basis to overcome some of the product launch challenges. This encourages various consumer industries to come forward and be one of the early adopters for sake of research and novelty in product categories. To make it a reality, what really is required is a strong determined corporate culture and a strong R&D commitment to encourage innovation, probe and practice experimentation

.So the imperative to stay innovative may require even high tech companies to update their databases and softwares frequently. Similarly, it may induce companies to cut short its product delivery time, thus giving its customers more options to choose from. So, the challenge lies in staying egalitarian and identifying the scope i.e. where a new market offering can be or should be launched. Seeking breakthrough versions and uses of a particular raw material can also be one of the categories where a new market offering can fit in, thus changing the ways of conducting business by finding the unknown processes and treatments to get it done. To cite an example of one of some successful business ideas, one such instance is creation of mobile apps especially a game i.e. Angry Birds which has extended itself not only to theme based parks but also toys, T.V shows, snacks and even clothing and is incrementally adding new levels to the series. It is simultaneously being registered on YouTube too with more than 400 co-branding partners.

Many established companies also fail to face challenges posed by competitors when latter comes up with cheap and effective techniques. This failure is mainly because companies take time to react and defend themselves on time, secondly because their investments are already trapped somewhere else which also reduces the product cycle time of existing products. To avoid this, established companies should continuously take time and opportunity to evolve themselves on up fronts of unmet customer needs and preferences by allowing employees to take up innovative projects as a team on specific days of the week and rewarding them for transformational ideas. This concept is called as customer driven engineering.

Sometimes, dearth of adequate finance, high development costs, poor staging of marketing strategy can also hinder the success of product launch. A company can harvest maximum

advantage if the product is superior. Secondly the product requirements need to be studied before launching the product. To be on safer side, current marketing issues, technical factors and a holistic perspective considering the foreign markets needs to be taken.

Assigning existing product or line managers with the responsibility of developing new products and screening them does not produce drastic results as the line managers are assigned full time job of carrying out the current processes. So, successful companies hire venture groups to carry out the much required scientific product development at few informal places in a given time frame.

Drawing ideas from different departments of same firm and presenting it at a platform, say, companies internal website or even crowd sourcing (i.e. engaging outsiders to participate in company projects in a meaningful ways) can be one of the solutions of concurrently developing new products, thereby reducing the product development time and also providing various perspectives on a given project which were ignored up till now. For better clarification of phases of product development, clear but flexible demarcation of various phases such as idea generation, its screening etc should be made. Project managers should be allowed to go back to any previous developmental stage if any discrepancy or need for any technical appraisal arises. This will enhance visibility on project stages.

Indulging in ongoing pursuit of carrying out research, building collaboration with laboratories, student universities, designers, research institutions, suppliers can really go long way to build entrepreneurship open to innovation. Enquiring about the dream uses of a current product can do wonders in enhancing sales/ turnover. For instance, P&G conducted interviews with existing customers of its potato chips and realized that consumers were uncomfortable in storing the open packet of chips because of its breakage. In response to this, P&G introduced a new chips category "Pringles" which were packed in a tennis type can/box to avoid breakage on opening it.

Yet again, another example is the growing requirement of people nowadays to own mobile cameras which can produce softer images (hiding blemishes and scars) which has been worked upon by a few mobile companies. So, successful companies are actually successful in trying novelty and trying drastic ideas from collaborative network of above institutions.

But of course, there are certain considerations always to be thought about before implementing the innovative ideas gathered around the market. It can be a need to understand current resource requirement or a need to take enough preparation time before running a particular marketing strategy. Spying around also works for a company in a way that companies should try to regulate and observe the actual use of their product and dive in for improvements, if any. Employees of certain software companies have also started sharing their software applications along with relevant toolkit with their customers, allowing the customers to make necessary modifications and alter specific features which they don't like. Companies can even increase their online presence through use of specific search engines available on web to find their business relevant posts and blogs which can provide them meaningful marketing insights and makes them aware about the word of mouth buzz going about the brand. Moreover, in product's early developmental phase, companies should try to create a platform where it can encourage discussions about the brand (its pros and cons) and try staying closer to true brand advocates

There is a mix of strategies adopted by various firms when it comes to introducing a new a market offering. Some companies believe in convincing customers on large scale in order to have an opinion about their wish lists .But few companies; on the other hand, do believe in capturing the lead users only who possess technical knowledge about company's products and its potential advanced usage. Reason behind being selective is that customers are not always the last resort when it comes to calculating the practicality and feasibility of their demands from products and services offered.

To avoid risks and failures in pioneering, companies may initiate with the purchase of competitor's products first. Furthermore company may also gather opinions about customer's likes and dislikes about the same, which can provide diverse insights on first hand exposure. Later, these products can be worked on with a team of venture capitalists for pilot study of weak points ignored till now. Study of competitors also helps to decide where it wants to build its points of parity and where it to establish points of difference.

How to think creatively?

Basis of introducing a new product offering lies in running a successful innovative session brimming with creative ideas. There are of course various techniques to do so but it has to follow a proper course to avoid a painful waste of efforts and time. Individuals can start with listing out features in a given product, jotting it down and trying to alter/modify it one by one with advanced means. Individuals can also go morphologically by starting with some imaginative problem and running various solutions for it in a brainstorming session. They can also try to change some basic assumptions underlying a theme or product for instance some new restaurants are nowadays offering discounts on rolling of dice and hitting a six

.During brainstorming session, companies should try to avoid dropping an idea that was very close to a breakthrough idea. It reinforces the fact that screening ideas during research needs careful study and has to be interpreted correctly. For this, ideas need to be weighted on basis of some criteria e.g. rating the uniqueness, superiority, competitiveness, practical feasibility, performance etc. Such review enables the management to understand the potential sales volume, growth and profit related to the business idea.

Selling your business concept

Conversion of business idea into a business concept is the single most important factor while offering new products in market. This conversion actually requires a product manufacturer to think in terms of consumer perspective. So, a product idea is like seeking innovative solution of existing problem. And when this product idea hits the market and turns into success i.e. when consumers are interested in buying a product idea, it is known as product concept. After defining the product concept, next thing which comes into picture are the competitors i.e. placing the product in a particular competitive category. To consider this, firm must create a product positioning and brand positioning too. After this, an idea is being tested on various parameters i.e. whether the perceived value of final outcome is more than the expected? Is it fulfilling the unmet needs? How long can it serve the market etc?

This leads to the second stage i.e. concept testing which involves making rough models or prototypes rapidly on computers/supercomputers which allows to elaborate the cause and effect relationship between any change in design and the relative outcome. This helps avoiding costly

physical prototype and mistakes therein. Use of virtual reality is another trend while testing new ideas and simultaneous tests are also being increasingly carried out in a controlled environment

How to develop market strategy

It is executed in three stages. First stage deals with fundamental plan regarding basic market structure, its size, the decision to position the brand(whether it is to be placed in high cost category or in an inexpensive one) the quality issues, the decision about initial sales quantity to be achieved, the budget(the maximum loss which it risks to bear).

Second stage delves further into depths of distribution strategy i.e. how shall a firm aim to create different utilities in various categories of same product, utility/quantity per box/unit to be provided any marketing incentives to be given in form of coupons or free samples, it also decides forms of advertisements to be chosen, its main emphasis, the budget in the first year and maximum cap on it.

If above distribution strategy is a success, a firm shall eventually reach the third part of the plan i.e. thinking about the long term profitability and growth. It has various challenges and forefronts e.g. market share, after tax return, price, market expansion issues, any research require, sales promotion budget.

Statement of analysis of profitability, costs and sales is the next step which is actually required to determine whether a project satisfies the feasibility conditions and company's growth objectives. Different products have different evaluation criteria for determining profitability e.g. sales are estimated on basis of initial purchases for one time products e.g. engagement ring. For infrequent products, replacement sales as well as initial sales are to be taken into account before making projections about growth of business. For frequently purchased products, initial sales plus repeat sales are to be considered. So before launching a new product, correct sales estimation is a must for a crystal clear view.

Commercialization

It is the last milestone which deals with conversion of prototypes (whether made online using virtual reality technologies or made manually with help of customer responses and researchers)

into a set of desired attributes in a product and making it a reality. It also aims to validate a product on basis of safety testing by group of researchers who will test the product in different environments with changing variables and applying series of procedures over it to test the difference, if any (alpha testing) or on the basis of consumers wishes and expectations (beta testing). High risk products with high investment warrant vigorous testing than other products which don't carry novel features.

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