

Introduction

Developing a new product needs is a structured road-map that gives your business a clear path to follow. The road-map to developing a tangible product or service includes the complete journey from generating the initial idea to bringing the product to market. By setting out the steps involved, product development will become a more focused and flexible approach that can be adapted for all different types of products and services.

Credit: <http://www.business2community.com/product-management/eight-simple-steps-for-new-product-development-0560298#sUbOCW-Tk4fJr1ZDV.99>

1. Idea Generation

The development of a product will start with the concept. Ideas come from many different directions. The best to start with a SWOT analysis, (Strengths, Weaknesses, Opportunities and Threats), which incorporates current market trends. The analyze is used to position and find a direction in line with the business strategy. In addition to this business-centred activity, are methods that focus on the customer's needs and wants. This could be:

- Under-taking market research
- Listening to suggestions from your target audience – including feedback on your current products' strengths and weaknesses.
- Encouraging suggestions from employees and partners
- Looking at your competitor's successes and failures

2. Idea Screening

Ensures that unsuitable ideas are rejected as soon as possible. Ideas need to be considered objectively, ideally by a group or committee.

Specific screening criteria need to be set for this stage, looking at ROI, affordability and market potential. These questions need to be considered carefully, to avoid product failure after considerable investment down the line.

3. Concept Development & Testing

You have an idea and it's passed the screening stage. However, internal opinion isn't the most important. You need to ask the people that matter – your customers.

Using a small group of your true customer base – those that convert – the idea need to be tested to see their reaction. The idea should now be a concept, with enough in-depth information that the consumer can visualise it.

Do they understand the concept?

Do they want or need it?

3. Concept Development & Testing (cont)

Here is the opportunity to develop the concept further, considering their feedback.

4. Business Analysis

Once the concept has been tested and finalized, a business case needs to be put together to assess whether the new product/service will be profitable. This should include a detailed marketing strategy, highlighting the target market, product positioning and the marketing mix that will be used.

This analysis needs to include: whether there is a demand for the product, a full appraisal of the costs, competition and identification of a break-even point.

5. Product Development

If the new product is approved, it will be passed to the technical and marketing development stage. This is when a prototype or a limited production model will be created. This means you can investigate exact design & specifications and any manufacturing methods, but also gives something tangible for consumer testing, for feedback on specifics like look, feel and packaging for example.

6. Test Marketing

Test marketing (or market testing) is different to concept or consumer testing, in that it introduces the prototype product following the proposed marketing plan as whole rather than individual elements.

This process is required to validate the whole concept and is used for further refinement of all elements, from product to marketing message.

7. Commercialization

When the concept has been developed and tested, final decisions need to be made to move the product to its launch into the market. Pricing and marketing plans need to be finalized and the sales teams and distribution briefed, so that the product and company is ready for the final stage.

8. Launch

A detailed launch plan is needed for this stage to run smoothly and to have maximum impact. It should include decisions surrounding when and where to launch to target your primary consumer group. Finally in order to learn from any mistakes made, a review of the market performance is needed to access the success of the project.