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E-CONTENT FOR M.COM (SEMESTER-2)

SUBJECT: MARKETING MANAGEMENT

PAPER CODE: COMCC-6

UNIT-5: MARKETING MIX

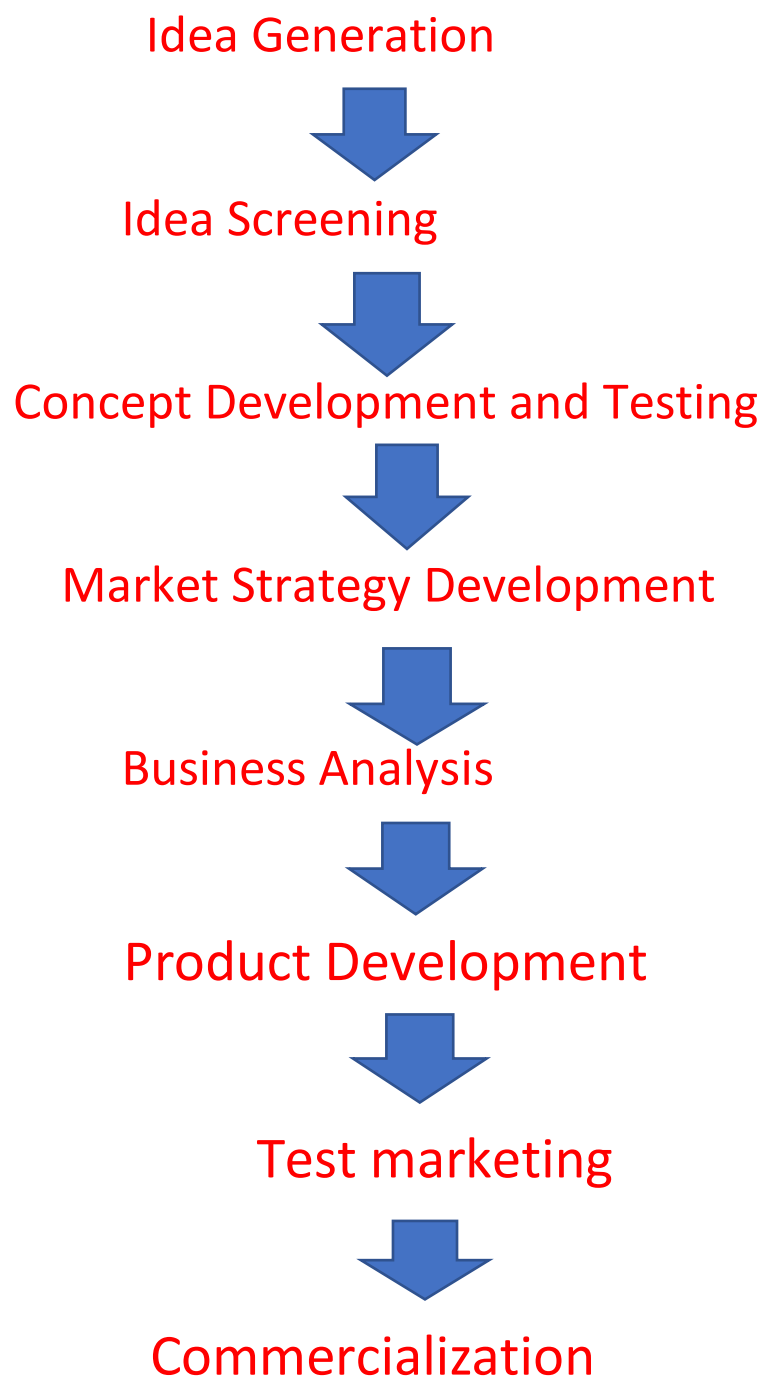
TOPIC: PRODUCT DEVELOPMENT PROCESS

PRODUCT DEVELOPMENT PROCESS

Product development process refers to the systematic decision making related to all aspects of the development and management of a firm's product.

It is concerned with the generation of new product ideas, screening them into tangible

product. Finally, they are produced on a large scale for selling in the market at a profit through providing maximum satisfaction to the customers. Product development process comprises following stages:



1) Idea Generation- The product development process starts with the systematic search for new product ideas through various sources like R& D department, market trends, sales person, employees etc.

2) Idea Screening- The purpose of screening is to have critical evaluation of new product idea. At this stage, the generated ideas are screened to spot good ones and drop poor ones on the basis of their feasibility and viability.

3) Concept Development and Testing- A concept is blueprint version of the idea. This concept brought to the target audience.

Some selected customers from the target group are chosen to test the concept. Information is provided to them to help them visualize the product. It is followed by questions from both sides. Management tries to know what the customer feels about the concept. Their feedback helps the business to develop the concept further.

4) Market Strategy Development- After successful concept testing, the marketing manager designs initial marketing strategy for introducing a new product. It includes determination of target market, size of market, market share, profit for first few years and how they can position the product to address the target audience.

5) Business Analysis- Business analysis is the study of economic feasibility of new product. It reviews the sales, cost, profit projections for a new product to find out whether these factors satisfy the company's objectives.

6) Product Development- Once the product is declared economically feasible, the company gives the product its physical shape. This stage involves developing the product concept into physical product.

7) Test Marketing- Test marketing means to introduce the new product on a very small scale in a very small market. If the new product is successful in this market, then it will be introduced on large scale.

8) Commercialization- After successful test marketing, new product introduces into the market on large scale. Here, company has to decide when, where, how the product will be launched. Market entry timing is also very important.
