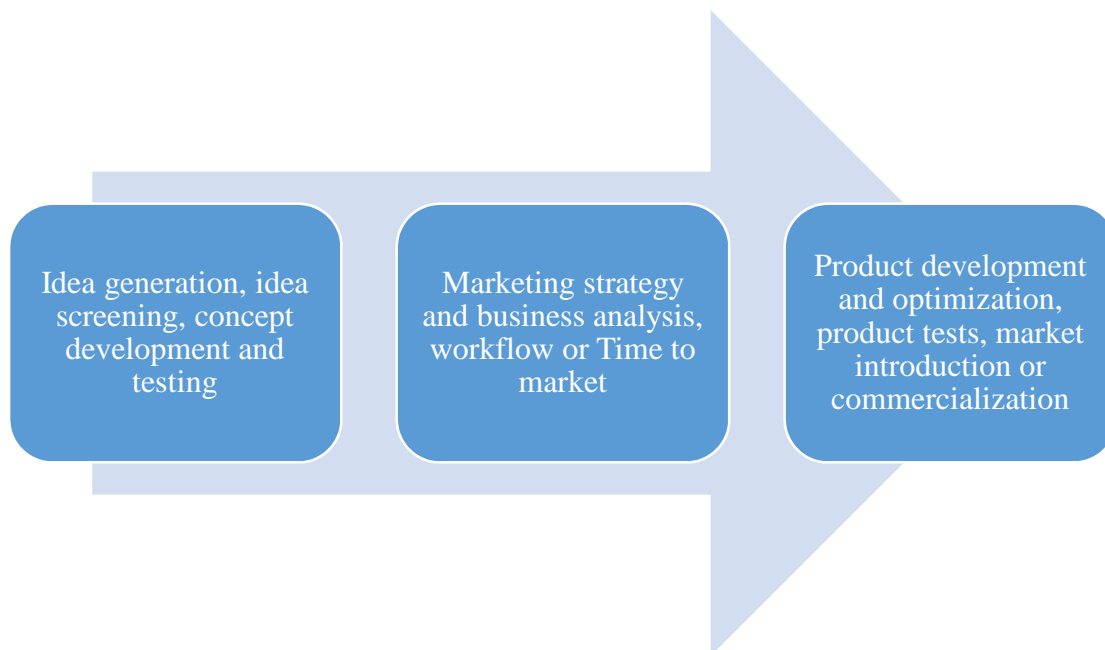


Steps of new product development



Idea generation: it is a search for new product ideas. Idea generation is the first step to stay competitive. It is systematic process. Ideas usually come from different sources: internal brainstorming, distributors or customers. Companies should identify customers' needs to solve a particular problem and to find market demand. To create original products or modify or improve the existing ones marketers should work closely with researchers. Researchers usually work on new recipes, limited editions or special editions of are examples of produce improvement or modification

Idea screening: new product ideas are screened to select potentially successful ideas. A company has to assess which ideas will survive in the market. New product or service should be profitable. Company should have resources and skills to produce them.

Concept development and testing: an attractive idea should be developed into several product concepts. Concept testing measures customer response to a new product - their level of acceptance. The goal is to introduce the product successfully onto the market.

Marketing strategy and business analysis: the producer can produce it himself, or sell the idea or license the product to another company.

Workflow or Time to market: an action plan is defined what shall be done next. For example, to carry out market research, to collect information to manage risks, the assess risks to allocate resources.

Product development and optimization: the Research and Development team creates a prototype or a model. It helps to cut costs and allows for market testing.

Product tests: before a full launch the product and its marketing plan should be tested in a small market. It allows for predicting sales, uncovering problems,

and adjusting the marketing plan.

Market introduction or commercialization: it is the final stage in the development of a new product. The distribution network and marketing communication network must be ready by the date when the new product goes on sale.