

Surveys & Forecasts, LLC – New Product Development Flowchart

Below are some key product development steps in launching consumer or B2B products and services. Not every step needs to be followed to the letter: this is a basic guide for marketers when launching products or entering new markets.

<u>New Product Development Step</u>	<u>Marketing & Research Activity</u>
<p><u>Establish Marketing Strategy</u></p> <ul style="list-style-type: none"> • Corporate objectives drive marketing strategy • Marketing strategy feeds new product development process • New product development process focused on specific areas of interest 	<ul style="list-style-type: none"> • Involvement of research in strategy development & prioritization process. Research often has longer-term knowledge than other functions.
<p><u>Establish Knowledge Base</u></p> <ul style="list-style-type: none"> • Ingoing understanding of marketplace dynamics (share of major brands, demographic trends, category growth trends, etc.) • Understanding of external forces (economic, political, regulatory, technological) • Identification of desired end-benefits/consumer needs, current delivery of products in the marketplace, existing satisfaction • Early identification of target opportunities 	<ul style="list-style-type: none"> • Syndicated data sources (receipt scanning, HH panel) • Secondary data (syndicated studies, public domain) • Strategic studies: A&Us, habits, practices, segmentation • SWOT analysis, VUCA analysis
<p><u>Idea Generation/Prospecting</u></p> <ul style="list-style-type: none"> • Internal prospecting by involving key stakeholder functions (e.g., R&D, Manufacturing, Marketing, Agency, Research) • External prospecting with consumers or key customers • Other sources (e.g., creative boutiques, consultants, etc.) 	<ul style="list-style-type: none"> • Facilitator-led brainstorming, off-site meetings/workshops • Bulletin board focus groups (BBFG), quant-to-qual • Qualitative consumer research: focus groups, in-depths
<p><u>Idea Screening</u></p> <ul style="list-style-type: none"> • Prioritize most promising/compelling product areas, ideas, or end-benefits • Select best candidates for additional concept and product development efforts • May begin parallel development paths for concept vs. product 	<ul style="list-style-type: none"> • Concept screening • Optimization, drivers • Benefit screening/promise testing • Early stage R&D product screening, or prototype exploration work (concurrent)

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<p><u>Concept Development</u></p> <ul style="list-style-type: none"> • Initial consumer exposure to roughly-conceived ideas; understand end-benefits from consumer perspective; obtain strengths/weaknesses • Creative insight/fodder for concept creation and positioning • Develop concepts further; move candidates forward based on preliminary feedback 	<ul style="list-style-type: none"> • Qualitative: focus groups, in-depths, BBFG, ethnography studies • Wireframes/shell analysis
<p><u>Concept Evaluation</u></p> <ul style="list-style-type: none"> • Understand consumer reactions to fully developed ideas • Representative, projectable samples of target audience and key sub-groups of interest • Identify differences between concept acceptors and rejecters • Diagnostic insight into concept communication • Iterative concept development steps may be required 	<ul style="list-style-type: none"> • Concept screening/testing • Positioning research (identification of levers) • Pricing research • Qualitative consumer research: focus groups, in-depths
<p><u>Copy Development</u></p> <ul style="list-style-type: none"> • Creative exploratory to develop alternative campaign platforms • Develop alternative storyboards or rough executions • Test (evaluate and diagnose) alternatives • Iterative copy development steps may be required 	<ul style="list-style-type: none"> • Qualitative consumer research: focus groups, in-depths • Off-air/on-air copy testing • UX/UI • A/B or RCT
<p><u>Product Development</u></p> <ul style="list-style-type: none"> • Initial prototypes/working models/pilot plant product made • Feedback from internal groups prior to consumer exposure • Initial consumer reaction; feedback used to fine-tune product • Product readied for larger-scale consumer testing 	<ul style="list-style-type: none"> • R&D sensory testing, employee panels, expert panels, or small scale consumer testing • Qualitative consumer research; may involve in-home product use

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<p><u><i>Product Evaluation</i></u></p> <ul style="list-style-type: none"> • Consumer evaluation of unbranded product in actual use setting • May involve prototype screening, then selecting one configuration for subsequent testing • Need for both evaluative and diagnostic assessment to make product refinements, as necessary • Need to identify optimal packaging configuration, if packaging is integral to product performance • Assess degree of product-to-concept fit; fulfillment of expectations created by concept • Iterative product development steps may be required 	<ul style="list-style-type: none"> • Show tests/non-functional prototypes • In-home use tests • Packaging research, including boundary testing • Optimization research, features, benefits • Pricing research • Concept-product fit testing
<p><u><i>Gauge Market Potential</i></u></p> <ul style="list-style-type: none"> • Assess volume potential for rollout/capital planning needs • Identify likely/competitive sources of volume • Make final “go”/”no go” decision regarding test market, or a regional/national launch • If a “go”, finalize all marketing mix elements for in-market test 	<ul style="list-style-type: none"> • Sales forecasting/volume estimation • Limited distribution/rollout • Key retailers/distributors (Amazon, national accounts)
<p><u><i>Test Market</i></u></p> <ul style="list-style-type: none"> • Test market selection (live test or controlled environment) • Identify treatment cells, if any (e.g., upweight, copy, etc.) • Product sell-in/placed on-shelf • Monitor and refine program, as necessary 	<ul style="list-style-type: none"> • Regional distribution • Electronic test market • Test market tracking • Qualitative assessment in test geography, e.g., among trier-repeaters, trier-rejecters

New Product Development Step

Develop Digital Strategy

- Assess performance versus brand marketing ratio
- Develop targetable segments from strategic research
- Develop budget for digital spend
- Focus on “persuadable” or “movable middle” targets

Regional/National Launch

- Sales meetings with key accounts
- Build pipeline, achieve distribution targets
- Advertising and promotional programs start
- Monitor progress, refine as necessary

Marketing & Research Activity

- Conduct RCT and A/B testing
- Conduct digital agency bakeoff
- Optimize allocation of digital resources
- Refine, refine, refine

- Tracking (ongoing)
- Post-launch qualitative, e.g., among trier-repeaters, trier-rejecters, etc.