



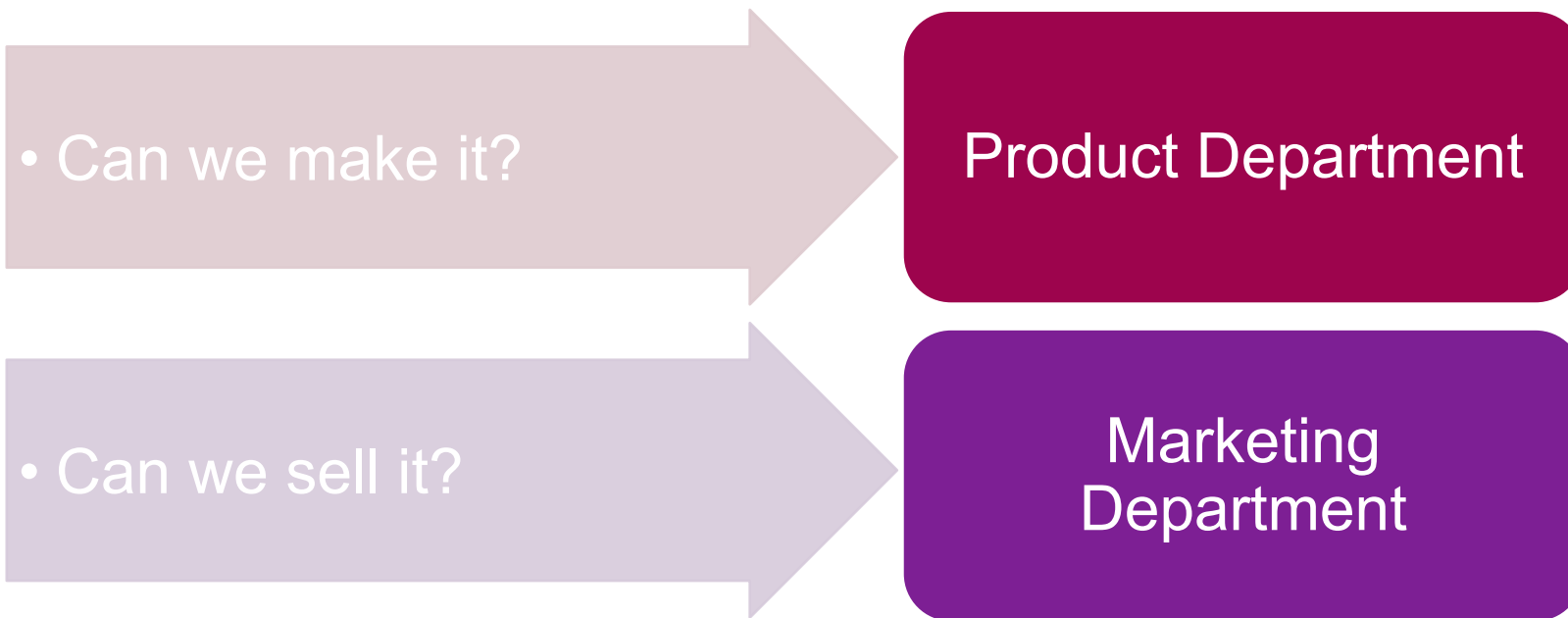
# MARKETING MIX PRODUCT



# LEARNING OBJECTIVES

- Understand what are the two essential questions that must be answered before a new product can be produced.
- Understand the product design process.
- Understand the four types of products.
- Understand the dimensions of utility
- What is the purpose of packaging?

# PRODUCT ESSENTIAL ANSWER TWO QUESTIONS



# INVENTION VS. INNOVATION



## Invention

New devices, methods or processes developed from study and experimentation.

***Addresses a brand new customer need.***

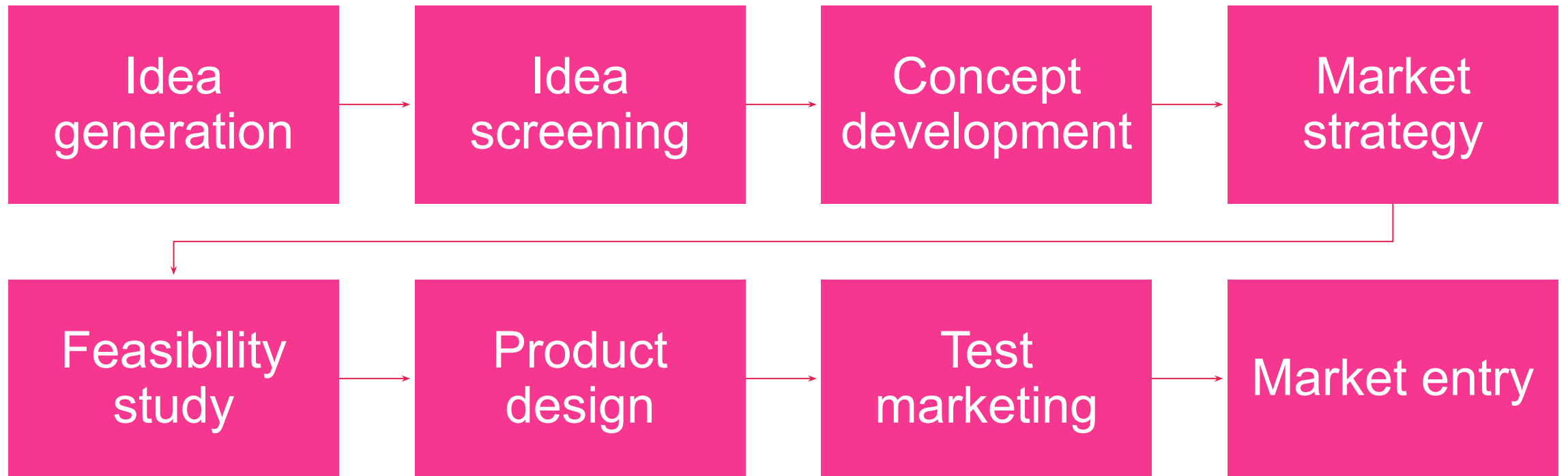



## Innovation

A product or service that uses new technology items or processes to produce new ones.

***Addresses an existing customer need.***

# STAGES OF PRODUCT DEVELOPMENT



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1. **Idea Generation:** Coming up with new product ideas, often inspired by customer needs, market trends, or brainstorming sessions.
  2. **Idea Screening:** Evaluating ideas to filter out those that are unfeasible or misaligned with the business goals.
  3. **Concept Development:** Developing promising ideas into detailed product concepts to clarify features, benefits, and target audience.
  4. **Market Strategy:** Creating a plan for how the product will be introduced and marketed, including pricing, promotion, and distribution strategies.
  5. **Feasibility Study:** Assessing the financial, technical, and operational viability of the product idea to ensure it's practical and profitable.
  6. **Product Design:** Designing the product itself, refining features, and creating prototypes.
  7. **Test Marketing:** Launching the product in a limited market to gather feedback, gauge interest, and identify improvements.
  8. **Market Entry:** Introducing the product to the broader market with full-scale marketing efforts to reach the target audience.

# IDEA GENERATION

Accomplished through finding and identifying a customer pain point

Can be market-pulled (new invention) or product driven (innovation) a new

Identified through research.



# IDEA SCREENING

- The purpose of idea screening is conduct testing to remove bad ideas
- To move from an idea to **opportunity** as a **business opportunity** the idea must meet minimum qualifications based on 5 factors
  - Customers
  - Competition
  - Trends
  - Logistics & Suppliers
  - Government
- Test all ideas in a way that is rigorous against
  - Competition
  - Customers





# CONCEPT DEVELOPMENT

- **Create a prototype**

A **prototype** is an early model or sample of a product that is created to test a concept, design, or functionality. It's essentially a preliminary version made to evaluate and refine the idea before moving on to mass production.

# MARKET STRATEGY



Identify the potential target market




Identify the means to address this market



# FEASIBILITY STUDY

- Tests the market to determine the price customers will pay and the quantity demanded to determine an amount of revenue to weigh against cost. Addresses the possibility of customer needs and the cost of the features required.
- Costs analyzed
  - Advertising
  - Promotion
  - Distribution
  - Transportation
  - Storage
  - Packaging



The **feasibility study** determines *if* the product is viable, while the **market strategy** outlines *how* to bring a viable product to market.



# TEST MARKETING

- Introduce the product to the market in a select sample.



# PRODUCT DESIGN

- Create a functional product design.
- Moving from the prototyping stage features must be determined built a finalized to create a final product design.