What is new product development?

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Sony Corporation - Is the Sum Greater Than the Parts?

Thank You
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New product development consists of creation of new ideas, their evaluation in terms of sales potential and profitability, production facilities, resource available, designing and production testing and marketing of the product.
New product development (NPD) is the complete process of bringing a new product to the market till its consumption & feedback from the end user of the business chain through the systematic procedure & parameter.
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This type of development is considered the preliminary step in product or service development and involves a number of steps that must be completed before the product can be introduced to the market.
New products, whether they take the form of new applications, new innovations, or entirely new goods, are an essential component of business success. Everyone in industry knows that new products are essential for viability: If we do not continue to grow, we die. To grow, a company must continue to learn (research) and to make a difference in its industry (pioneer). Business, whether it sells waste management or interstellar communications, janitorial services or gene-splicing, lives through new growth—not through clones of the past."

What this means is that new products are essential to survival. "Innovate or die" has become a rallying cry at small and large businesses as increasingly savvy consumers demand the newest and the best products.

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Case study
highlighting the
importance of new
product development
in Kellogg's
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Kellogg's

- Emphasis on product development in growth market.

Introduction

Kellogg's is known for its diverse range of breakfast and convenience foods, including Corn Flakes, Rice Krispies, and Eggo waffles. They are leaders in the nutritional world.

Branding

Brand awareness strongly contributes to Kellogg's success. The brand is known for its high-quality products and consistent taste. In this case, we will focus on how Kellogg's introduced a new product line, Special K, into the market.

Marketing Mix

A comprehensive marketing strategy is required to achieve the goals of the marketing plan. The unique nutritional benefits of Special K will be emphasized in the marketing campaign.

Product Innovation

The product line offers a variety of flavors, including a new product launch in the cereal category. This innovation provides a strong competitive advantage in the market.

Market Research

Kellogg's uses market research to ensure success, focusing on consumer behavior and market trends. The success of the new product depends on consumer willingness to accept change.

Special K

Special K is a new product launched by Kellogg's in the United States. It aims to offer a healthier alternative to traditional breakfast cereals.

Conclusion

The introduction of Special K has been successful in the competitive market, with initial sales exceeding expectations. Kellogg's branding strategy played a significant role in driving sales and market penetration.
Stages in new product development

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New idea generation is the systematic search for new product ideas. It may be noted that ideas may come from internal as well as external sources.

- **Internal sources** refer to the company’s own formal research and development, management and staff, and entrepreneurial programs.
- **External sources** refer to sources outside the company such as customers, competitors, distributors, suppliers, and outside design firms.

However, source of idea is not so important as the firm’s system for stimulating new ideas and then acknowledging them and reviewing them promptly. For example, Ratan Tata conceived of an idea of a small cheapest care when he saw families of four and five people travelling by their bikes. He created a team of product designers at Tata Motors which eventually launched "Nano" priced at 1 lakh in 2009.