

The concept development corporation case study

[Business](#), [Company](#)



Introduction

This essay is centred upon the Concept Development Corporation case study in Crawford & Di Benedetto, which contains important aspects about launching tangible products and intangible services. The case study would be linked to the product evaluation task in Figure 8. 1 in order to ascertain the major differences between the evaluations of tangible goods and services, reasons why these differences existed, and the consequences in relation to the evaluation techniques and methods.

The major differences that exist between the evaluation of tangible goods (like toys) and services are discussed henceforth. Firstly, the opportunities to deliver tangible products, and their market requirements are easily identifiable and discussed. For instance, in the case study, it was easy to identify that they wanted Toys with minimum expenditure, that would contain an element of education, paper, competition, numbers and the like, and be targeted at children under 12. However, in the writing services, their main aim was to be reactive to whatever clients require and design innovative services that meet industry and business needs. Evaluation of services, identification of its opportunities and its market descriptions are not as precise and clear as they are in product lines. These differences occur as a result of the nature of products and services. Products are physical items and their sales and elements are easily identifiable. For instance, it is easy to know what a toy is and represents, whilst difficult to understand the sort of benefit a writing service would constitute.

Secondly, in product evaluations, it is easy to obtain samples of similar competitive products and compare them against the product line being launched. However, in service evaluations, its intangibility makes it difficult to evaluate competing services. Unlike product evaluations that entail looking at sales figures or launching the product in test environments in order to get judgemental responses, service deliveries in contrast usually get immediate responses from customers thus making it easier to evaluate. Preliminary market analyses could be easily conducted on product segments in that sales figures and product sales of own company and that of competitors could be easily obtained, whilst analyses of service elements cannot be obtained except they have a product element in them, feedbacks are obtained, or service prices are analysed. The reasons behind the difference in giving an initial review of product and service lines is because of the level of customer interaction present in service delivery. For instance, when delivering a writing service, the company would need to study clients and understand their requirements and expectations, and based on these expectations, a service delivery opportunity could be established. The interactions with customers make it possible to understand their requirements firsthand and tailor service deliveries specifically to their requirements. However, in product launches, the level of customer interaction is greatly reduced and in some cases inexistent, which makes it difficult to understand what their requirements are until the products have been designed, tested and launched.

Thirdly, decisions on whether or not to develop a product could be based on specific and easily identifiable checklists and profile sheets, which could be

easily answered. For instance, Concept Development Corporation could easily patent its Toy products, modify its design and score the product idea based on feedback and sales figure obtained. However, services cannot be easily stored, patented, readily communicated or easily reproduced, which make it difficult to decide on whether or not to provide it. But due to the fact that feedback is easily obtainable for services, then it could act as a necessary checklist for the product launch, in that customers could be asked for feedback and further ideas on the service lines, which could then be used in deciding whether or not to provide it. These differences exist typically because of risks inherent in launching services. Several service developments just like product developments require initial investments such as hiring and training staff, and marketing the products to potential customers. However, in Toy products where there is a tried and tested market for Toys, and key success factors could be easily obtainable through research, the same cannot be said for service development. In developing services, the company needs to identify and understand the customer requirements, and even with that it is not yet certain whether or not the service delivery would be a success. This uncertainty is centred on the fact that the quality of service delivery, and the success of its development, is based on its ability to anticipate customer needs, its interaction with customers, how customers respond to this interaction, and how customers perceive the quality of this interaction.

Fourthly, in the Development Phase, which is basically centred on progress reports and decisions on whether or not to develop, product launches entail the development of a tangible product so progress reports, protocol checks,

prototype tests, concept tests and product use tests could be very easily ascertained. However, in service launches, there is little or no development, just the development and test of the concept, which is to be the service. For instance in the case study, the corporation intends to establish a writing service, but there is no development process essential, except for the procurement of products required to render this service and ensure it meets customer requirements. These differences exist because it is easier to develop a product prototype and test it, rather than it is to develop a service prototype. There is nothing called a service prototype because a draft or test service cannot be easily developed and tested. This is because for a service to be produced and tested, it needs the customer. Therefore if a prototype service were to be designed, it still needs customers for it to be produced and delivered. Therefore, Concept Development Corporation would need to design the writing service and how they intend to deliver it, then deliver a test product to a client, in the hope that the client would provide adequate feedback on the work for the company to know how the service would actually fare. However, in product prototype testing, everything could be done in house. The toys could be developed based on design specifications, and once the prototype is development, it could be tested against specified requirements, checklists and scored appropriately. Making it easier for the company to develop a high quality product.

Lastly, the launch phase, which basically entails the testing of the product, is different for products and services. Decisions on whether or not to launch and market a product is centred on speculative sales, testing markets that have been simulated, controlled sales and test marketing, right before a

general rollout is implemented. The initial stages before the rollout are utilised in ensuring that the rollout is successful and all necessary information regarding the products are understood and provided for. In service launches decisions on whether to launch a service, and relevant information surrounding that decision, are based mostly on the identification of an opportunity to provide this service, and customer participation in the test service process. The service quality perception is based to a large extent on the expectations of customers, and the manner in which employees affect the service delivery process. Mass production or launches in service lines are difficult. These differences exist because customers are co-producers of the service delivery process, are often co-consumers with other consumers. Both products and services could be tested and simulated in particular markets, while controlled sales are implemented. However, those for products are more precise, objective and easily identifiable compared to services. Concept Development Corp could try delivering writing services to just a few companies initially, just like they could only sell toys in a few markets initially; whilst the feedback obtained from both, in different forms would guide eventually decisions on whether and how to rollout the service.

Based on the differences identified and explained in the body of this essay, the likely consequences of these differences on evaluation techniques and methods have been identified. Firstly, the identification of business opportunities and decisions on where to focus efforts are easier for products than for services. The specifications and market descriptions for products are more precise, objective and straightforward, whereas for services, they are usually based on an idea and tailored specifically to the target's

requirements, which is usually not uniform. Secondly, immediate responses are more easily obtainable for service segments due to the level of customer interaction, while relevant market information and preliminary market analyses are easily obtainable for product segments.

Thirdly, decisions on whether or not to develop, which are usually based on checklists and scoring models are best for product segments, while for services, it is better to observe and understand customer requirements. Fourthly, protocol checks and prototype testing are more easily done for product launches than for services as they are tangible, easily designed measured and tested, unlike services that are intangible and require an element of customer interaction. Lastly, market testing is different in product and service evaluations, but could be easily done in both. Therefore in conclusion, product and service evaluations differ to a considerable extent due to the intangibility of services and the level of customer interaction required, however, that does not render service evaluations irrelevant in any way.

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