

Executive summary for the development of a new product

[Business](#), [Marketing](#)



BIS 342/SCM 342: SAP Project Part Fall 26 October Executive summary for development of new product In order to increase the market share, a new product has been seen as ideal for Fitter Snacker. The new product offering is called NRG-H and it seeks to meet the low-calorie diet fad while retaining the healthiness associated with a Fitter Snacker product. This new product is expected to attract a new segment that will also identify with the products offered by the organisation.

The changes to this product include the replacement of the cloves, cinnamon, nutmeg and honey in the NRG-A bars with an artificial sweetener and the bars are glazed with a yoghurt topping. The NRG-H product is expected to form part of a new low-calorie diet snack food market segment and is expected to resemble the trademark of the Fitter Snacker. This new product is likely to appeal to the tastes of many people in this new segment given that it will reduce the calorie content which is seen as a positive step towards safeguarding the health concerns of the consumers.

The operations related to this new product will be basically concerned about incorporating it into SAP. The advantage of this particular stance is to leverage the new product on the popularity of the SAP given that the customer and vendor relationships depend upon this. There are likely chances of success of this product if these steps are carefully implemented.

2. After factoring in all the production costs, it is anticipated that a case of 24 bars can be profitably sold at \$28. 80 as the wholesale price. This distribution channel is ideal in that it has many links with the vendors as well as retail outlets. This price is reasonable given that small actors in the retail sector will also be able to buy a case for resale. It is assumed that at this

wholesale price, a profit margin of about \$8 is likely to be realised.

The retail price of a bar of this new product is pegged at \$1.50. This price has been suggested after considering that this is still a new product hence it has to be priced slightly lower than similar products already existing in the market. The other justification for this price is that when penetrating a market, there is need to fairly price the product such that it can appeal to the interests of many potential customers. Some consumers can just buy it as trial but once satisfied, they are likely to refer other consumers to this particular offering. In some instances, the customers tend to discover new products in retail shops hence this is an ideal channel of distribution of this particular product. The wholesale and retail prices are justifiable given that both the wholesalers and the retailers are bound to gain a reasonable profit margin.