

# Product development

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



CEO Vice president of Marketing June 6, New Product Development I am writing to inform you about new type of product that Marketing Department proposes to launch. Taking into account the fact that for several years our company has been producing paper clips of the same type, it is recommended to modify our product for making it fit with the requirements of the market. The strategy of new product development is implemented in seven steps, which let to analyze and appraise reasonability and effectiveness of new commodity line in a full way. The stages of product development are the following: Idea Generation First of all it is important to form multitude of new ideas and suggestions, concerning improvements of our product that currently company produces. Due to this aim it has been helpful to brainstorm, finding new propositions with a help of professional team work in Marketing Department. In addition, our marketers surveyed age groups of consumers for being able to find out their preferences and wishes directly. Idea Screening This step requires selecting most appropriate idea with a help of choice criterions. Getting opinions from consumers and employees allowed to find mutual solution. The main reasons of rejecting ideas were compliance with market demands and financial expenditures for launching new product. The results of screening process has suggested to launch new paper clips that can be shaped in different forms, such as stars, hearts, flowers or seashells. In addition, we recommend to supplement each paper clip with a small piece of paper, on which quotes of famous scientists, actors and authors will be printed. It is suggested to make these quotes removable, leaving only blank papers for possible notes that will allow to mark files and documents, keeping them in order. In case if quotes are not

relevant, consumers may tear it off and stick it to another place, for example, book, writing pad, computer display or refrigerator.

**Concept Development** In this stage of product development we did market research, defining market segmentation and main group of people, who would consume new type of paper clips.

**Business Analysis** Initial costs, price and possible revenue have been estimated during evaluation of company's potential financial performance. The results of this phase gave required information and parameters for the next step.

**Product Development** During this stage of the development process scientists, engineers and specialists create trial design. Preliminary analysis makes them sure that suggested product can be produced at low costs and be proposed on the market at competitive price.

**Testing Marketing** The company produces limited number of new product. Created prototypes are tested by focus-group to find out opinions of consumers and forecast probable reaction of the market. This stage of development helps to eliminate mistakes and flaws in attributes and design of the product before it is on sale.

**Commercialization** The last step of new product development presupposes mass manufacturing, when in compliance with demand sufficient bulk of the product is put on the market. New type of product will be included in company's price lists and catalogues. It is recommended to launch active promotion campaign, using TV advertising, demonstrations and leaflets spread in offices and near educational institutions. Therefore, suggested measures will help to create a product that fits with consumers' needs in full. I will inform you about further results of product development process later. If you have any questions, please, do not hesitate to contact me.

References Bernstein, J., & Macias, D.

(2002). Engineering new product success. *Industrial Marketing Management*, 31, 51-64. Ulrich, K. T., & Eppinger, S. D. (2000). *Product design and development* (2nd ed.). New York, NY: Irwin/McGraw-Hill. Gordon, M., Musso, C., Rebentisch, E., & Gupta, N. (2009). The path to developing successful new products. *Wall Street Journal*. Retrieved from [http://www. online. wsj. com/ article/SB10001424052970203440104574400593760720388. html](http://www.online.wsj.com/article/SB10001424052970203440104574400593760720388.html)