

Generate ideas of the  
new products  
marketing essay



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This is a project for Mr Bean to launch a new product for a new segment. The process starts from idea generation, idea screening, business analysis, product development, test marketing and ends at 4Ps.

### Chosen Segment

The new chosen segment is aiming at families, especially, the group of people who like soya bean food and do not go to Mr Bean's outlets very often.

Most of Mr Bean's products are with short shelf life or difficult to store after selling. Usually, the products are eaten just after being sold. This restricts the sales. The consumers wouldn't buy a lot by one time. And the products are not available at home. If the consumers do not pass by Mr Bean's outlets, the products are not available. So, Mr Bean may lose a lot of business opportunities.

The new segment can length the time period for consumers to consume Mr Bean's products. It will increase Mr Bean's sales obviously. But, on the other hand, new products in this segment will affect the sales of existing products. Some consumers may do not buy products from Mr Bean when they pass by the outlets. It may be because that they have just eaten some Mr Bean's similar products at home or they would eat at home. Considering the stagger location and time of the consumption, the effect will be slight. Overall, the new segment is expected to drive up Mr Bean's sales significantly.

The new products are expected to have a long shelf life and be easy to store, so that they are available for the families at home.

## **2 New Product Development**

### **2.1 Idea Generation**

To generate ideas of the new products, internal and external surveys were held. The ideas were created by the employees and customers of Mr Bean. They are the following:

Soy milk power: Instant soy milk.

Dried bean curd: Traditional dried bean curd with package.

Soya bean: Use complementary branding with a soy milk maker producer. And sell soya bean as the main material.

Vacuum-packed pancake: New taste with package, the product can be stored at home.

Mascot cookie: Cookies with different shape of Mr Bean's mascot.

Bagged soy milk oatmeal: A mix with soy milk power and dehydrated oatmeal.

Frozen steam stuffed bun: A traditional and popular food.

Boxed ice cream: Different to Mr Bean's existing soft serves.

### **2.2 Idea Screening**

After the idea generation stage, the new product ideas were evaluated through some internal criteria, such as the consistency of the company positioning, of Mr Bean.

Soy milk power: The production method of soy milk power is complex. And some large equipment is required. Mr Bean can't produce it now. Rejected.

Dried bean curd: Dried bean curd can be produced easily by simple tools. Accepted.

Soya bean: Directly sell soya bean takes low expense. Fabrication is not required. Accepted.

Vacuum-packed pancake: The new taste pancake is very similar to the existing ones. Low cost and simple equipment is required. Accepted.

Mascot cookie: The production process is simple. And tools to cook cookies are easy to get. Accepted.

Bagged soy milk oatmeal: This new product is based on soy milk power. Since Mr Bean can't produce its own soy milk power, rejected.

Frozen steam stuffed bun: Not soya bean related food. Inconsistent to company positioning. Rejected.

Boxed ice cream: New equipment is required. But it is small and cheap. Accepted.

The Screening result is as the table below:

No.

New Ideas

Screening Result

Accepted

Rejected

1

Soy milk power

2

Dried bean curd

3

Soya bean

4

Vacuum-packed pancake

5

Mascot cookie

6

Bagged soy milk oatmeal

7

Frozen steam stuffed bun

8

Boxed ice cream

## **2.3 Business Analysis**

After the Idea screening, then the residual 5 ideas were examined by some external factors. Cost, sales and profitability need be considered in business analysis stage.

Dried bean curd

Cost: The main raw material is soya bean. And only simple tools are required. Cost should be low.

Sales: It's a traditional food with a long history, demand may be high. As a soya bean food related company, the brand can help to get considerable sales.

Profitability: Considerable sales with low cost makes it be very profitable.

Soya bean

Cost: Only some packaging fees are required.

Sales: Lots of Singaporean don't like to cook at home, so the demand may be low. And it's a convenience product, Sales may be disappointing.

Profitability: Even cost is low, Sales may be also low. It's not profitable.

Vacuum-packed pancake

Cost: The cost of a vacuum-packed pancake with new taste is quite similar with the existing ones, just need extra packaging fees.

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Sales: Since the new pancake can store at home, both demand and sales are expected to have a obviously increase.

Profitability: Net profit margin should be very similar to pancake. Profit should be high with good sales.

Mascot cookie

Cost: Cookies are easy to make with simple tools. Raw materials are also cheap. Cost is expected to be low.

Sales: Most of the mascot cookie lovers should be little children. This limitation restricts the demand. Sales may be low.

Profitability: Because of the low sales, it can't generate satisfying profit.

Boxed ice cream

Cost: The method and recipe are different from existing ice cream, but cost is very similar, both are low.

Sales: Singapore's climate stimulates the demand of ice cream. Sales are expected to be doubled.

Profitability: High sales and low cost can bring good profit.

Based on the profitability, the result is as the following table:

No.

New Ideas

## Analysis Result

Accepted

Rejected

2

Dried bean curd

3

Soya bean

4

Vacuum-packed pancake

5

Mascot cookie

8

Boxed ice cream

## **2. 4 Product Development**

After many evaluations, the rest 3 ideas are developing into products.

Dried bean curd

The product is cut into small squares and with a lite taste. As the first product in this product line, choose original taste. Choose plastic as the

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packaging material. Some part of the package should be hyaline, so that the consumer can see the dried bean curd inside. Net weight is set at 150 gram per pack. So the consumers can eat up one pack one time. The label should show the flavor.

#### Vacuum-packed pancake

The new taste pancake was designed as a jam taste. It retained the soft texture of the existing ones. To reduce pressure on the product, the space inside the package should be fixed. So it can have a good appearance. As many other vacuum-package, use plastic as the material. Use specific color to show the flavor. Single pack can fit customers' behavior.

#### Boxed ice cream

Boxed ice cream is different to Mr Bean's existing soft serve. The new product has a relatively high hardness and low storage temperature. It's more suitable for transportation and storage. Strawberry taste is a common taste my other competitors use, and is very suitable to be chosen as the taste for the new product. Choose paper as packaging material. And the package should embody the flavor by color. Net content is 1L, a common quantity on the market. The label should highlight the new feature: it can be store at home.

## **2.5 Test Marketing**

Test marketing is to try to infer the response of a full-scale launch by a small regional test. The result may be not reliable (McDonald & Christopher 2003,

p. 180). So choosing an ideal region can improve the reliability of the test result.

Singapore is a very small country. This can help improve the accuracy of the test marketing. And the convenient public transportation makes the movement of mass very active, especially in MRT stations and bus interchange hubs. So choosing the outlets in these places to launch the prototypes can get a relatively reliable data. The outlet in Toa Payoh Hub is an ideal place to conduct the test. In location, it is at the center part of the country. And the passenger flow is high.

Price is one of the considerations for the consumers in their consuming behavior. So the prices of the three products were based on the variable cost. And the contribution margin was set at 30% of the variable cost. So the selling prices are the following:

Dried bean curd: 0.9 SD per pack

Vacuum-packed pancake: 1.2 SD per pack

Boxed ice cream: 4 SD per box

At the same time, the customers who bought the new product were asked to take part in a survey. Customers voted to their favorite new product.

The test lasted for a month. Then the data was collected and analyzed by Mr Bean. The result is as the following graphs:

From the graphs, the sales of boxed ice cream were far ahead to the other two. And in customers' choice, dried bean curd failed to get a good acceptance by most customers. The degree of vacuum-packed pancake and boxed ice cream among the customer is very similar. Boxed ice cream got a slight lead.

Combining with data from all aspects, the result of test marking is as the following table:

No.

New Ideas

Analysis Result

Accepted

Rejected

2

Dried bean curd

4

Vacuum-packed pancake

8

Boxed ice cream

### **3 Commercialisation**

Marketing mix is very often used in complex marketing strategies. It involves both targeted customers and company's objective (DIMCC 2008). Boxed ice cream should be classified as a product, so the marketing mix should base on 4Ps.

#### **3.1 Product**

Product is the most important part in the 4Ps. The whole marketing mix bases on the products.

##### Characteristics

The new boxed ice cream is classified as a kind of regular ice cream. It's quite different from soft serves in recipe, hardness, taste, storage, process, etc. So it is a new product in a new product line in Mr Bean. And the taste is strawberry, a very common flavor on the market. So it is more probable to be accepted by the consumers. Regular ice cream is appropriate for many kinds of flavors. So it is possible to translate it into a series of products to length the product life circle. Different to many other regular ice cream on the market, Mr Bean's boxed ice cream uses soya bean as one of its raw material.

##### Packaging

Package is an important part of the product. It has many functions. Contain the core product is the basic function of a package. For the boxed ice cream, paper box with cap is an ideal container. The design capacity is 1. 1 liter. Since the net weight was decided to be 1 liter, the design capacity of the

package must have some cushion. But the cushion mustn't be too much, or the customers may have a wrong impression that the product is short in actual weight. The paper must accord with food hygienic standard. And material quality must be waterproof paper. The package must have the ability to bear some situation that the ice cream melted. It can avoid leakage. The package protects the ice cream from external impurities and protects consumers from touching the ice cream, even when it melted. Piling method was considered to make sure the package is burly enough to bear the pressure. The design of the package must contain the information of the ice cream to consumers. Slight pink was chosen as the background color of the box, and strawberry was added into the design. So the consumer would know that it is a strawberry flavor. And Mr Bean's trademark was designed on the striking area of the box. And some necessary information, such as ingredient, shelf life, was added on the package.

### Labeling

Label is used to persuade or inform consumers. For the new boxed ice cream, the label was design to show the difference from Mr Bean's existing products. The slogan on the label is designed as ' Enjoy simple pleasure at home'. The background color was designed to be deep brown, a contrast color to slight pink. It can catch consumers' attentions and arouse interests on the product.

## **3. 2 Price**

To make a pricing strategy is very complex. There are too many aspects can affect the decision. There can be 6 steps in the process of setting a price

(Kotler & Keller 2006). A simplified process was used to set the price for this new product.

### Step 1: Choosing a pricing objective

Pricing objectives can be classified as profit-oriented, sales-oriented and status quo. To the boxed ice cream, status quo pricing objectives are the optimal choice. Firstly, it's a convenience product, the price must be competitive. Secondly, to Mr Bean, it's new product line in a new market. And it's still at the introduction stage. Surviving is the primary task. So, the pricing strategy should meet competition's prices.

### Step 2: Positioning

After deciding to meet competition's prices, the question became to which competitor should be chosen to follow. On the market, there are many kinds of ice cream with different positioning. Analysis Mr Bean's existing pricing strategy and the value of boxed ice cream to get the positioning. Then compare with the existing products on the market. Some competitors on the market are listed in the table below:

## **Brand**

## **Product/Flavor**

## **Net Content**

## **Price**

Haagen-Dazs

Mango

1L

S\$13. 90

Haagen-Dazs

Strawberry

1L

S\$14. 45

Nestle

La Gremeria

1L

S\$4. 80

Weis

Sorbet

1L

S\$9. 15

KING'S

VCRM SWT CORN

1L

## **Similar**

Positioning S\$3. 57

KING'S

VCRM R BERRY

1L

S\$3. 57

Wall's

CRM-PADD RAINBOW

1. 5L

S\$5. 00

Wall's

CRM-CHOCLOLATE

1. 5L

S\$5. 00

So, the price of Mr Bean's new boxed ice cream should be around S\$4. 80 per liter.

Step 3: Estimating costs and adjusting



Cost is an important factor to be considered in the process of setting price. It directly affects the contribution margin. The price should be set with a positive profit. The contribution margin was compared with the target profit, and the price was adjusted to S\$4. 60, a more competitive price with satisfying profit.

### **3. 3 Promotion**

The role of promotion can be summarized as ‘ DRIP’, Differentiation, Remind, Inform and Persuade (Ho 2012). As it’s in the introduction stage, the main objective should be Inform.

Mr Bean is good at promote its product in many different ways. As boxed ice cream is a convenience product at the introduction stage. Combining with Mr Bean’s methods, the chosen tools are advertising, public relations and sales promotion.

#### Advertising

Overall, the purpose of advertising is to increase sales and profit. But it can be subdivided into different communication objectives (Jobber 2004, p. 423). As this is the introduction stage of a new product, the communication objective is to create awareness. The following are the tools used:

#### Poster and leaflet

#### Enjoy Simple Pleasure

At Home Since the new segment is to length the time period for consumers to consume Mr Bean’s products, the main group of the targets is Mr Bean’s

existing customers. Putting up a poster and distributing leaflets around Mr Bean's outlets can get a good effect to create awareness. And most of the innovators should be Mr Bean's loyal customers. And comparing with many other traditional advertising media, the total cost is very low. Good design of the poster and leaflet also can increase customers' interest on boxed ice cream.

### Internet

On the homepage of Mr Bean's official website, there is a striking space for the company's star item and new products. This space is big enough to show a detail of product. Put boxed ice cream on the space. The visitor can aware it at first glance.

### Public Relations

Public Relations is a good tool to build up a good image for a company and introduce new products to public.

Mr Bean is very good at using this tool. For example, in the last few years, Mr Bean continually worked as a principle sponsor of National Day Parade.

Such events are good opportunities for the introduction of boxed ice cream. The remarkable events can help boxed ice cream get awareness effectively. And by using public relations, many new consumers may be attracted.

<http://www.mrbean.com>.

[http://www.mrbean.com.sg/cmsresource/Events/NDP%202011/NDP2011\\_W243.jpg](http://www.mrbean.com.sg/cmsresource/Events/NDP%202011/NDP2011_W243.jpg)

[http://www.mrbean.com.sg/cmsresource/Events/NDP%202011/NDP2011\\_W7.jpg](http://www.mrbean.com.sg/cmsresource/Events/NDP%202011/NDP2011_W7.jpg)

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## Sales Promotion

After consumers getting the awareness and reason for purchasing on boxed ice cream, sales promotion gives consumers the incentive to buy it. The short-term but obviously effect can help shorten the introduction stage and lead boxed ice cream to the growth stage.

In the introduction stage, coupon is a very useful tool. It can stimulate the consumer behavior and increase the sales significantly. Since leaflets are used to advertise boxed ice cream, coupon can be distributed with the leaflets.

### **3. 4 Place**

A place strategy affects the accessibility of the product to consumers and the profit of the originations in the marketing channel.

Mr Bean defines itself as a retailer. Actually, it is also a producer. The company produces all the products by itself. So, the company uses direct channel for consumer products. Without the intermediaries, Mr Bean can get a significant profit from the sales. One of the reasons why does Mr Bean only use direct channel is the feature of the existing product. Most of Mr Bean's products are made and sold on the spot. They are with short shelf life and are not convenient to transport and store. So other market channels are not suitable to Mr Bean.

The new product, boxed ice cream, doesn't need to be restricted to the existing channel strategy. The new features make it possible to be sold by third parts. But, by considering the stage in product life circle and the

capacity of the company, boxed ice cream was decided to launch by the existing channel strategy. As a new product, Mr Bean managed its capacity at low level in the introduction stage. And there are more than 60 Mr Bean's outlets in Singapore. It's enough to offer a good accessibility to the consumers. Centralized production mode was selected for the new product. So the outlets didn't need to add any new equipment. Boxed ice cream was sold in all Mr Bean's outlets.

The channel strategy decision is a temporary one. With the increase of acceptance of the product, Mr Bean will increase its capacity. Other channels are possible to be used to increase the sales.

## **4 Conclusions**

After going through many screening and well planned by Mr Bean, the new product, boxed ice cream, came to the market. But whether it is a successful new product or not, is still waiting for the examination by the market.