

# Identifying key factors for new product success

[Business](#)



Identifying key factors for new product success It is well known for us that new product development is always the key for companies' success or even survival. And the new products don't need to be the totally new products, companies can just make some improvements, improve customers' experience, or exchange a new color, shape to bring to customers new satisfaction and benefit. Then customers will not be tired of something, and customers are always the focus of marketing.

But new product development process is not a simple process. It is a very complex process needs many correlative departments such as marketing, designing, developing, and manufacturing departments work together. What's more, a new product takes a high risk, because nobody can guarantee that this is going to be sold well. It is very important to follow a scientific development process, this can reduce the risk as much as we can. At the beginning, we need some ideas, some kinds of inspiration.

When customers have some new needs or new technology is invented, there could be an opportunity for company's new products. These ideas may also come from one of employees, competitor's new product, or government's new policy. In other word, the opportunity maybe in everywhere, whenever we think customers need something new, we can develop a new product. Second, the company needs to estimate and analyze those ideas, compare with them by each advantages or disadvantages. And then choose the most hopeful one from many ideas.

Try to find a potential profitable project. And the way to pick it is building a model that can measure technology advantage, marketing attraction and earning power. A good opinion is a kind of right direction, can lead the

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following process. Third, since we got the idea, I think it's time to set a market strategy before the design part. We need to analyze the target market, see what are the size, structure and behavior, and what the level that customers need it, the frequency of Purchase.

Describe who would be the potential customers, and then set the cost based on it, and the general price strategy, promotion strategy, marketing budget, and the possible product mix for the new product. Fourth part is design and testing part, the reason why I put them together is that I think after a fail testing, the prototype always need to be redesigned. And before the final product, there always be lots of testing and redesign job to do to transfer the idea to a real valuable product. It can also be called the key of the entire new product development process.

Fifth, when the new product is ready, all tested by engineers and employees. It's time to be introduced to market. However, sometimes we need to do the Test Marketing, this is a real final testing, and the testers are customers. In general, company would choose a small place, like a small town, and try to sell the new products to those customers, and analyze the feedback. Then market department can adjust its market strategy based on the feedback. The test marketing always lasts several months, or can be one year.

After the final test, the new product can be introduced to the whole market. This is a scientific way to develop a new product. But as I said before, nobody can guarantee that this is going to be successful, even if it did a great job in test market. But what reasons cause a fail product? I think one of those reasons is fail to estimate the true potential of the market, if

exaggerating the market potential, in which can bring some very serious problems like over-investment, over-manufacture, and product backlog.

Another reason to fail could be the wrong design. Design part is the key of the whole development process, because customer is the key of market. If the design of new product can not satisfy customers' need, the product would be fail, no question about it. Company would lose market share. But if company set a wrong price level, higher than the value of product, or made to much high cost, the profit would go down. A product can't create profit would be fail too. And some people may not notice that a good promotion helps the new product a lot.

A good and impressed promotion process can really fly a product, on the other hand, a awful promotion process can be a disaster for a new product. In short, developing a new product is a required process for a company. A new product's success in market may indicate corporation's bright future. But new products mean high risk, we need to do everything to do to reduce the risk. Like following the scientific development process, try to get the key need of customers. And a very important one, company needs to have self-confidence for the new product.