



A Review : New Product Development, Categories, Importance and Process Involved in Product Development

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ABSTRACT :

A new product development (NPD) process is a complete procedure in which the design is gradually detailed over a succession of phases. A design review is done at the conclusion of each step to approve the design and determine whether it should be released to the next level. Concept selection, one of these phases, is carried out early in the process with the goal of selecting the most suited concept for continued development. As the development of a selected concept advances, it becomes more difficult to make design adjustments in terms of cost and schedule dimensions, and so choosing the optimal idea from a collection of accessible options has become a significant challenge for businesses. This review paper, deals with the importance of new product development categories as well as the process involved.

1.INTRODUCTION:

Today, the world is characterized by macro and micro-environmental influences. These influences include the rapid evolution of socio-cultural tendencies and life styles, self awareness and decisional autonomy of consumers, an increasing relevance of mass production and distribution systems, an incessant introduction of technological and managerial innovations, increasing levels of competition and globalization dynamics. These factors are having an impact on the textile and apparel sector, creating a diverse market opportunities and challenges.

2.NEW PRODUCT DEVELOPMENT – DEFINITION

The process of bringing a new product in to market is known as new product development (NPD) (1). The new product introduced into the market does not have to be a fresh idea; it might be a development of an existing idea or the replacement of raw materials or commodities utilized in the existing product. New product development allows for a lot of idea generating in young minds.

The literature has several definitions and interpretations of the bounds of the term "new product." Crawford defines a new product as "a product for which the firm needs fresh marketing and in which the significant changes are transmitted but excludes minor adjustments that may require simple advertising."(2)

Coordination between the manufacturing, engineering, research and development (R&D), marketing, finance and buying divisions is required to make NPD effective. The marketing department must first appraise the new product and then a cross-functional team formed for the new product must enter the scene to develop the new product [3].

3.CATEGORIES OF NEW PRODUCT DEVELOPMENT:

There are many classifications for 'new product.' One of these classified new products into four categories. (4,7)

3.1. NEW INVENTION:

Fresh inventions are brand new to the market. They are the result of new technical breakthrough and offer clients new experiences. Phones, smart phones, laptops, and tablets, for example, did not exist prior to their initial release. They developed new markets rather than old ones by luring potential clients by offering to make their lives easier if they used these items.

However, there is a risk in attracting potential clients to a large innovative product since potential customers may be skeptical of its value. They may be hesitant to invest money on something that has not yet shown its dependability and use. As a result, the company that developed the new product must find ways to persuade them that they require it.

However, there is a risk associated with attracting potential clients. Even if producing a large innovative product is risky, it may provide various benefits to the firm in addition to profit, such as enhanced reputation among consumers, workers, shareholders, and future investors.



3.2. PRODUCT IMPROVEMENT:

Unlike the 'major innovation' group, items in the 'product enhancement' group are not created with the intention of generating new markets. Instead, they target market competitors' customers. This type of new product is popular in the cosmetics, chemical (particularly detergent goods), and food sectors (diet, fat-free, allergen-free items). Businesses in these areas attempt to attract clients by distinguishing their products from rivals' items on the market.

3.3. PRODUCT ADDITION:

These are replica items that take advantage of the market generated by original product manufacturers. Even if these items claim to have new features, the advantages (what users experience differently than the original product) will be minimal. This type of new product is typically selected by small enterprises that lack the means to develop an original product. As a result, they leverage the original product's existing market and sell at reduced prices due to lower production costs and no product development expenditures. In this case, businesses who generate unique items would confront counterfeit products with cheaper pricing that will attract customers while incurring product development expenses. As a result, firms manufacturing original items adopt marketing countermeasures to avoid replica products. Therefore, these are replica items that take advantage of the market generated by the original imitation products by employing marketing countermeasures. As a result, finding a distribution line in this market for similar goods enterprises is tough.

3.4. REPOSITIONED PRODUCT:

Repositioned items are promoted in a fresh way to appeal to a wider range of buyers. These are not new goods, formulas, or features, but they are positioned differently in the market to attract different types of clients.

4.PROCESS INVOLVED IN NEW PRODUCT DEVELOPMENT:

Phase 1: New Product Strategy

The inventors have to clearly define the goals and objectives for the new product.

Phase 2: Knowing our Consumer

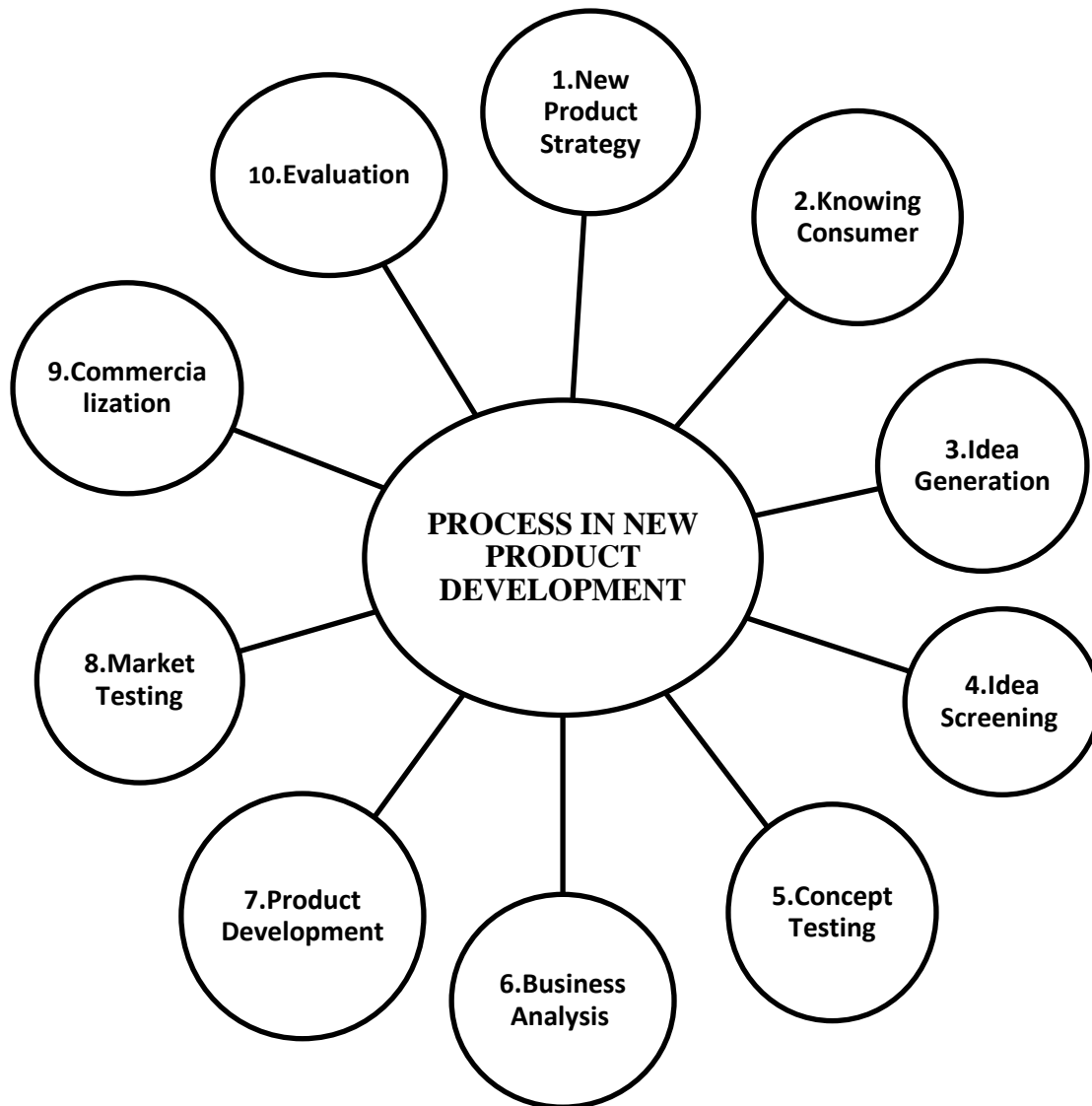
Market research, or market survey, is an integral aspect of new product development. Conducting market research or receiving market research reports to better understand the requirements, difficulties, tastes, and desires of consumers.

Phase 3: Idea Generation

For new product idea generation, brainstorming ideas from both internal and external sources is utilized.

Phase 4: Idea Screening

Screening ideas is an essential aspect of every new product development process. It assists you in evaluating prospective ideas by employing predefined criteria, data collected from the market research, or score models. For example, while considering new ideas, consider their relevance, limits, budgets, value, dangers, and/or practicality.

**Phase 5: Concept Testing**

Concept testing is the practice of employing surveys to assess customer approval of a new product concept before releasing it to the market. (5)

Phase 6: Business Analysis

A new product concept that makes it through the screening stage of new product development (NPD) need a more sophisticated and extensive commercial study. The costs of creating a product are significant. Your company analysis will also assist you in eliminating ineffective concepts and avoiding unneeded expenditures. (6)

Phase 7: Product Development

Creating the sample entails putting together ideas and supplies to create a testing product for the market.

Phase 8: Market Testing

A product trial run is used to test the marketing mix. Test marketing is an important part of the product development process because it allows us to collect and analyze customer feedback. It ensures that people want the product and provides critical information that allows us to fine-tune quality of product and launch action plan prior to a full-scale launch.

Phase 9: Commercialization

Making the product available to the whole public. The process of bringing new products or services to market is known as commercialization. The act of commercialization includes production, distribution, marketing, sales, customer support, and other critical functions necessary for the new product or service's commercial success.

Phase 10: Evaluation

Research is conducted to track the success of a new service offering in accordance to corporate goals. It describes the evaluation methods that seek to illuminate decisions during the innovation process that results in the desired product, as well as during the later phase to evaluate its impact on users. Also included is a discussion of the benefits of evaluation and how to apply its findings.

5.IMPORTANCE OF NEW PRODUCT DEVELOPMENT:

The success of a new product often necessitates significant resources, and the likelihood of poor performance or outright failure is significantly greater than anybody will accept. Because of the significant risk of failure, it is critical to understand why product development is crucial to businesses and customers, and why you should engage skilled product development services to ensure to do things right. (8)

Product development is the lifeblood of businesses and society alike. A tangible thing, such as a vehicle, Smartphone, or coffee maker, might be the product. It might also be a new IT solution, industrial technique, or real estate marketing strategy.

All effective product development activities include the following features:

- 5.1. Customers will gain new value.
- 5.2. A better society
- 5.3. The company's continued existence

5.1. Customers will gain new value:

The first and most crucial purpose for each new development is to provide additional value to the customer's experience. Without this, they have no motive to exchange their money for the new item. Customers will flock to a product or service that provides exceptional value.

This fresh and expanding value is what keeps businesses thriving. If there is no fresh value to provide consumers, the company withers and dies. If the value given does not rise, the firm will lose market share as competitors enhance their market value.

5.2. A better society

Many new goods are just incremental improvements over prior versions, with only a few additional features or somewhat quicker performance. These items may be able to keep the firm afloat by providing enough new value to earn more cash, but they are hardly a blessing to society.

In certain cases, new items will benefit society in ways other than the immediate delight of the buyer. Innovative new pharmaceuticals to cure chronic diseases are one example, as are car safety equipment that saves hundreds of lives each year. Neither of these provides immediate gratification to the customer, but they do save lives and hence benefit society.

5.3. The company's continued existence:

The resilience of any company is new products and services. Without them, the company shanks and dies, or is acquired by another. The continuation of these companies benefits society through the employment of the individuals who work there (who are also consumers) and the support for society at large through taxation and charitable giving.

Companies (and civilizations) must grow and improve if they are to progress from survival to thriving. The mechanism for this growth and improvement is provided by new products and services created and provided by businesses of all sizes.

6.CONCLUSION:

This review paper points out the new product developments in any application. Each of the ten distinct phases has a distinct property that adds significant value to the newly developed product. These ten stages of product development may appear to be a lengthy process, but they are intended to save time and resources. Anyone who runs a business must understand the concept of product development. A product development plan is required when you are starting a business, entering a new target market, or expanding into new regions. New product development concepts and prototypes are tested to ensure that the new product will meet the needs and desires of the target market.

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