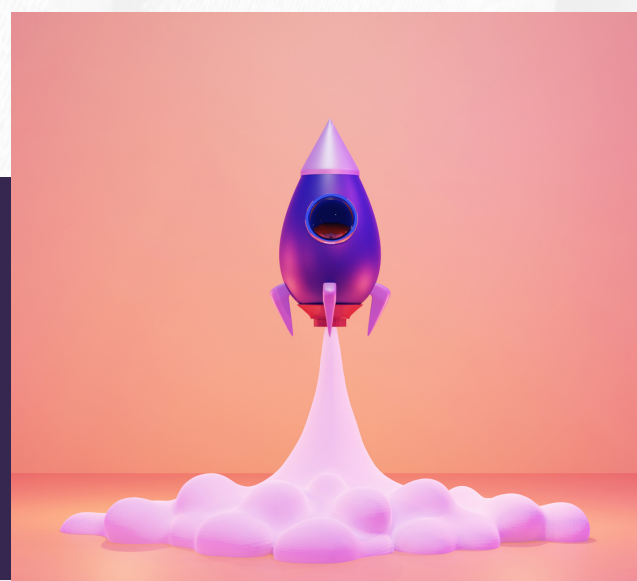




GUIDE TO NEW PRODUCT INTRODUCTIONS

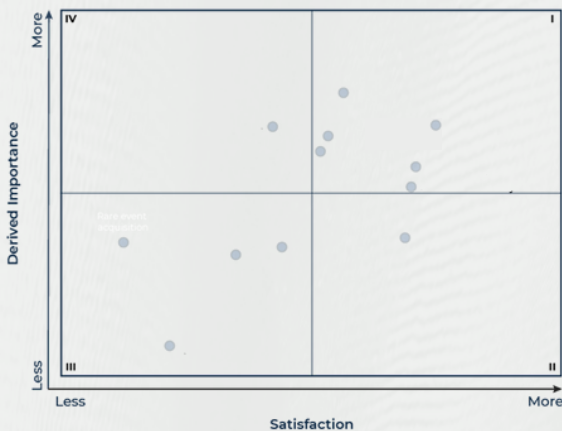
www.imvinfo.com



Introducing new products to existing customers is a natural phase in any company's evolution. Over time, customers of your existing products accumulate knowledge of your product's performance as well as those of your competitors. As product differentiation decreases, existing products have a tendency to become more like commodities, and customer retention becomes all the more difficult. Introducing innovative new products thus becomes an essential way to build customer loyalty. The inherently high costs of manufacturing, marketing, and distributing, however, demand careful consideration of customer needs and what a customer is willing to pay.

A thorough understanding of how the market segments by customer type, application, purchasing power and packaging considerations will enhance the success of a product launch.

Sample Quadrant Map: Satisfaction with Product Attributes



The above quadrant map, can be derived using bivariate correlation.

- Quadrant I: More Satisfied/ More Important
- Quadrant II: More Satisfied/ Less Important
- Quadrant III: Less Satisfied/ Less Important
- Quadrant IV: Less Satisfied/ More Important

Quadrant analysis can help you determine how to prioritize resources towards certain attributes.

PRODUCT INTRO RESEARCH IS USED TO:

- Understand customers' unmet needs
- Encourage the development of specialized products and applications
- Customize marketing and sales strategies

RESEARCH RESULTS PROVIDE:

- An estimate as to how well the new product will be received
- Support to pricing and positioning decisions
- An understanding of effective promotional messages

TYPICAL OBJECTIVES OF RESEARCH INCLUDE:

Account Stability

- Identify any competing products and applications
- Assess the customer's overall willingness to switch suppliers on a scale of 0 to 10.

Purchasing Practices

- Determine the customer's definition of "quality" and the relative importance of price
- Determine the sequence in which the customer arrives at the product purchase decision

Marketing and Sales

- Identify what quality control practices, such as cGMP, the customer must consider in the purchase decision
- Determine if the customer is aware of the client's newest products

New product innovations spring from the recognition of a customer need. The costs of marketing the response to this need will be significantly lower if the need was articulated by the customer, rather than your own R&D department! Product introduction research allows you to reach "go/no-go" decisions before expensive R&D and prototyping begins. Sales managers will benefit from detailed segmenting of the customer base for the new product which may differ substantially from current assumptions.

