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New Product Development and Launch,
BUS 451

Monday/Wednesday, 10:10am-12:00pm & 2:10pm-4:00pm
Computer Lab 306

Office: 448, Business Building
Office Hours: M/W 12:00-1:00pm & by Appointment
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Course Description:

New product development (NPD) and launch provides an overview of the new product development process. This introduction to NPD includes coverage of the following: product innovation strategy, idea generation and screening, concept development, concept testing, technology drivers, and the preliminaries of product launch including segmentation, targeting, positioning, pricing, and branding. This is a project-based course and will develop a new product concept as part the learning experience.

Book:

Geoffrey A. Moore (2006), ***Crossing the Chasm: Marketing and Selling Disruptive Products to Mainstream Customers***, Revised Edition, HarperCollins Publishers, New York, New York; paperback version available at Amazon.com for \$15.

New Product Development Team Project:

Assigned teams will work on a series of exercises designed to facilitate developing and launching a new product. Some lab time will be given to the team assignments; most assignments will be done as team/home work. Teams will provide verbal updates and written reports on these assignments. All papers must be typed (including team name and names of team members) in a professional manner.

Grading: (+/- 5%)

35% -- 4 Quizzes/short exams (missed quiz or lowest grade will be dropped)
45% -- New Product Development Concept Term Paper & Team Participation
05% -- Class Participation
15% -- Final Exam

Learning Objectives

- 1) **Opportunity Identification:** Assess opportunities that a company, entrepreneur, or marketer realizes by capturing competitive advantage, responding to a threat, or solving a problem.
- 2) **Determine customer problems:** Determine needs, wants, desires & solutions
- 3) **Idea Generation:** Evaluate embryonic forms of new product concepts, those containing at least two of the following components: technology, form, and benefit.
- 4) **Idea Selection:** Determine the best ideas from a large set of generated ideas.
- 5) **Concept Formation:** Develop simple new product concepts using the three necessary components of a new product concept: technology, form, benefit.
- 6) **Product Concept Testing:** Determine the best whole product concept from a large set of possible concepts.
- 7) **Positioning Statement** (“elevator pitch”): Write a statement that defines the target customer, the statement of the need or opportunity, the product/service name in the product/service category that delivers a benefit. Identify the primary competitive alternative and primary differentiation.
- 8) **Planning for the Launch:** Determine product position, price, and brand name of the new product.

Lecture Topics, Activities, Readings, and Assignments

Week 1: September 21-23

Day 1: Introduction to New Product Development

Team Formation and Introduction to Affinity Diagrams

Reading: [Organizing Ideas into Common Themes](#)

Day 2: No Formal class, I will be meeting with Calrecycle.

Meet with your team and discuss the following questions,

“What irritates you the most about mobile devices? What is most frustrating about using laptops, tablets, and cell phones? What is most irritating about using social media?”

Reading: [Introduction into Affinity Diagrams](#)

Week 2: September 28-30

Day 1: Opportunity, idea, and concept generation: Affinity Diagrams

Assignment #1: Identification of Irritants/Needs

Day 2: New product development and the quests for new ideas: Affinity Diagrams

Reading: [Chapter 1 in Geoffrey Moore, The high tech illusion](#)

Due: [Assignment #1](#)

Assignment #2: Identification of Solutions

Week 3: October 5-7

Day 1: Concept Development

Reading: [Chapter 2 in Geoffrey Moore](#)

High Tech Marketing Enlightenment

Due: [Assignment #2](#)

Assignment #3 Technology Drivers and #4 Target Market

Day 2: Understanding Target Customer, Innovation Strategy, Crossing the Chasm

Week 4: October 12-14

Day 1: Product Attributes

Reading: [Chapter 3 in Geoffrey Moore, the D-Day Analogy](#)

Due: [Assignment #3 and #4](#)

[Quiz # 1](#)

Day 2: Product Attributes, Branding, Pricing

Week 5: October 19-21

Day 1: Product Design

Reading: [Chapter 4 in Geoffrey Moore, Target the Point of Attack](#)

Assignment #5 Product Attributes and Whole Product Research (definition)

[Quiz # 2](#)

Day 2: VOC and Open Innovation

Week 6: October 26-28

Day 1: Branding and Pricing Again

Reading: [Chapter 5 in Geoffrey Moore, Assemble the Invasion Force](#)

Assignments #6, #7 Branding and Pricing

[Quiz # 3](#)

Day 2: Laddering and Positioning Statement

Week 7: November 2-4

Day 1: Full Concept Data Collection

Reading: [Chapter 6 in Geoffrey Moore, Define the Battle](#)

Assignment #8, #9: Laddering and Positioning Statement

[Quiz # 4](#)

Day 2: Conjoint analysis

Due: [Assignment #5](#)

Week 8: November 9-11

Day 1:

Reading: [Chapter 7 in Geoffrey Moore, Launch the Invasion](#)

[Due: Assignments #6 and #7](#)

Day 2: Concept Testing and Selection: Identifying Great New Product Concepts

[Due: Assignments #8 and #9](#)

Week 9: November 16-18

Day 1: Holiday

Day 2: Interpreting the results of concept testing

Week 10: November 23-25

Day 1: Interpreting the results of concept testing

Day 2: Thanksgiving Holiday

Week 11: November 30-December 1

Day 1: [Due: Final Project Paper, review for final](#)

Day 2: [Due: PPT slides \(six minute pitch\)](#)

Final Examination:

M/W 10:10 AM – Monday, December 7

M/W 2:10 PM – Wednesday, December 9

Assignment Objectives and Relevant Materials**OPPORTUNITY IDENTIFICATION: Affinity Diagram of Irritants/Needs**

1. As discussed in class, report the results of the affinity diagram and summarize the ideas suggested in the brainstorming/affinity exercise sessions. Each team member is to create a new product concept that includes benefit(s), form(s), and possible technologies. Provide a two or three page report. Take good notes assignment details are presented in class.

- Report the affinity diagram
- Summarize the results
- Each team member propose a solution to one the problem in terms benefit(s), form(s), and possible technologies

SIMPLE CONCEPT TESTING/SELECTION: Affinity Diagram of Solutions

2. As discussed in class, report the results of the affinity diagram and summarize the ideas suggested in the brainstorming/affinity exercise sessions. Each team member is select one new product concept for further development. Provide a two or three page report. Take good notes assignment details are presented in class.

- Report the affinity diagram
- Summarize the results
- Each team select one new product concept for further development, justify your selection

TECHNOLOGY DRIVERS

3. As discussed in class, report on potential technology that could produce a form to deliver the desired benefits. Provide a “Wall Street Journal” type of explanation of the technology. Use diagrams, pictures, and schematics as needed. Take good notes assignment details are presented in class. Provide a one or two page report.

TARGET CUSTOMER CHARACTERIZATION

4. As noted above, the target market for all exercises is a set or subset of local college students. This exercise begins with the target customer characterization exercise discussed in class. 1: Identify where members of the target market are located in the technology adoption cycle; and 2: identify the key attributes (product features) that are associated with the “before” and “after” scenarios. 3: Write a clear description of the idealized target customer. Take good notes assignment details are presented in class. Provide a short report of your target customer; a one or two+ page report is required.

PRODUCT FEATURES AND CHARACTERISTICS – WHOLE PRODUCT (research the market)

5. For this assignment your team is asked to 1: define an initial whole new product concept (sans price and brand), 2: obtain market feedback on the new product concept from your target market, and 3: based upon the market feedback, refine and improve the new product concept. For this exercise you may use any of the numerous research methods presented in Bus 418 and Bus 419 (in-depth interviews, focus groups, simple on-line surveys, etc.). The goal of this exercise is to 1: develop a potentially successful new product concept, 2: present the concept to members of the target market get feedback, then 3: based upon this feedback, 4: refine and improve your new product concept.

For this exercise, you are encouraged to create your concept in any form you see fit. That is could be a “mock” product (cardboard, plastic, wood), a graphic product (diagrams, pictures, and photographs), a verbal description or a mixture of the above. For this exercise, do not include price or brand. A two or three+ page report is required.

BRAND NAME RESEARCH

6. The goal of this exercise is to discover a promising brand name for your new product concept. For this exercise you may use any of the numerous research methods presented in Bus 418 and Bus 419 (in-depth interviews, focus groups, simple on-line surveys, etc.). Similar to assignment #2, use the results of your research to justify your selection of a brand name for your product. Take good notes assignment details are presented in class. One or two+ page report is required.

PRICE RESEARCH

7. The goal of this exercise is to discover a fair price. The goal of this exercise is to discover a fair price for your new product concept. For this exercise you may use any of the numerous research methods presented in Bus 418 and Bus 419 (in-depth interviews, focus groups, simple on-line surveys, etc.). Similar to assignment #2, use the results of your research to justify your selection of a price or set of prices for your product. Take good notes assignment details are presented in class. One or two page report is required.

MEANS END ANALYSIS-LADDERING: PRODUCT POSITIONING

8. This exercise requires you to conduct a laddering analysis as discussed in class. Report the results of the laddering exercise; include a *laddering box* for at least two attribute-levels, one-half or one page report. Take good notes assignment details are presented in class. One or two page report is required.

POSITIONING STATEMENT

9. This exercise requires you to develop a positioning statement as discussed in class. Report your positioning statement. Take good notes assignment details are presented in class. One-half page report. Take good notes assignment details are presented in class. One or two page report is required.

Paper Outline: Bus 451, New Product Development and Launch

Note: The examples on Poly Learn are similar but do not follow the outline presented below. The following outline is provided to capture the key elements of the homework assignments, class readings, class discussions and additional instructions provided in class. Please ask questions and/or refer to your class notes for additional details. Format: double space, 12 pt font, New Times Roman, MLA style, use *in page* footnotes for all references. Make liberal use of headings and subheadings

Title Page

Table of Contents

Executive Summary

Introduction

1. Industry Background

- Provide a *brief* description of the industry your product represents, e.g., outdoor games, electronic games, etc.

2. Opportunity Identification and Idea Generation (refer to readings, assignments, and class lecture)

- In this section, explain how affinity diagramming was used to identify your chosen product concept. Please do the following:
- Provide a justification for your product concept selection. What information and /or logic did you rely on to make your selection?
- Please present the results in a professional format. Make liberal use of tables and headings as appropriate. Hint: Create your tables/diagrams (as in assignments #1 and #2) first and then write in reference to the results in the table/affinity diagram.
- Simple Product concept

3. Description of Key Technologies: Use diagrams, pictures, etc. to enhance understanding

4. Target Customer Characterization and attribute search

- Define your target customer (detailed description of ideal customers)
- Briefly summary the before and after scenarios for an example customer

- Explain how the buyer will benefit from using your product/service
- Identify a list of characteristics/feature and functions that will deliver the above benefits

5. New product concept statement (assignments and class lecture)

- Present the simple concept in terms of form, technology, and benefit. Write this so clearly your grandmother would understand it, for this version should short and simple. Employ diagrams, pictures, and artwork as needed.

6. Whole product concept (assignment 4, class lecture, readings)

Expand on the simple concept given knowledge gained from assignment #4

- Identify key characteristic/features
- Identify key functions, enabling factors, benefits, and attractive attributes

7. Research Methods and Data Collection and Research Results (assignment #5)

- Present relevant data in tables and graphs

8. Revised Whole Product Concept. Present your new product concept and explain what steps your team took to develop the new product concept. In your presentation, be very clear in defining your products features/characteristics, functions, and benefits. Note: report pricing and branding research below, as requested.

8. Planning for the Launch

a. Positioning Statement: Report your “elevator pitch” here

- For [Target Customers]
- Who [Have Problem]
- Our Product [Is a New Category]
- That Provides [Breakthrough Capability]
- Unlike [Reference Competitor]
- Our Product [Key Point of Differentiators]

b. Use the results given customer feedback to justify your pricing and branding decisions. Present data in tables and graphs.

- Pricing: Justify the price for your new product.
- Branding: Justify the brand name for your new product.

c. Product (image) Position: Use the results of your means-end (laddering) analysis to develop a position for your new product.

9. Decision to Launch New Product

- Summarize your new product development research and strategic thinking via the above assignments #1-#9.
- If you were to move into a product launch, would you continue with your chosen concept?
- If yes Why? If no, why not?

Guidelines for Writing an Executive Summary

An executive summary is a brief overview of a report designed to give readers a quick preview of its contents. Its purpose is to consolidate the principal points of a document in one place. After reading the summary, your audience should understand the main points you are making and your evidence for those points without having to read every part of your report in full. That's why they are called executive summaries — the audience is usually someone who makes funding, personnel, or policy decisions and needs information quickly and efficiently.

KEYPOINT: Remember that your purpose is to provide an overview or preview to an audience who may or may not have time to read the whole report carefully.

1. An executive summary should explain why you wrote the report, emphasize your conclusions or recommendation, and include only the essential or most significant information to support those conclusions
2. Executive summaries are usually organized according to the sequence of information presented in the full report, so follow the order of your report as you discuss the reasons for your conclusions.
3. Executive summaries are usually proportional in length to the larger work they summarize, typically 10-15%. Most executive summaries are 1-2 paragraphs, but less than one page.
4. Write the executive summary after you have completed the report and decided on your recommendations. Look at first and last sentences of paragraphs to begin to outline your summary. Go through and find key words and use those words to organize a draft of your summary; look for words that enumerate (first, next, finally); words that express causation (therefore, consequently); words that signal essentials (basically, central, leading, principal, major) and contrast (however, similarly, more than, less likely).
5. Make the summary concise, but be sure to show why you have arrived at your conclusions.
6. Do not introduce any new information that is not in your report.
7. Executive summaries should communicate independently of the report. Ask someone not familiar with the report's examples to read your executive summary to see if it makes sense.
8. Remember to spell-check and proofread. Do not trust the Spellchecker alone.

Final Project Peer Evaluation Form (Due in class on the last day of class)

TEAM NAME: _____ YOUR NAME _____

You have 10 points for every member of your group. This means that if there are 4 people in your group you have 40 points.

Allocate the total number of points that you have among the group members according to their effort and contribution to the entire project. Remember, this covers the whole project and it can affect others' grades so take your time and think through everyone's involvement carefully. Grades can only get adjusted downward depending upon the degree of contribution of each member.

Print each person's name on one of the blank lines below. Be sure to include yourself on the first line. Then, calculate the number of points for each member of the group.

Make any specific comments you wish to either to justify the points allocated to a group member or if you think it is relevant to their evaluation.

Number of people in the group: X 10 = Total points to allocate

Name	Points	Comments

Group Member List:

1. _____
2. _____
3. _____
4. _____
5. _____

Note: This is due in class on the last day of class.