

## The Seven Steps in the Offering Development Process

The seven steps in the offering development process are:

1. Idea Generation
2. Idea Screening
3. Feature Specification
4. Development
5. Testing
6. Launch or Commercialization
7. Evaluation (Tanner & Raymond, 2012).

### Key Activities in Each Step

**Idea Generation:** Collecting ideas for new products from various sources like employees, customers, suppliers, and competitors.

**Idea Screening:** Evaluating new product ideas based on criteria such as value addition, feasibility, strategic fit, and financial viability.

**Feature Specification:** Identifying the features and characteristics that the new product should have based on customer needs and preferences.

**Development:** Designing the actual product, writing specifications, creating prototypes, and planning the manufacturing process.

**Testing:** Conducting alpha testing (in-house) and beta testing (with real customers) to ensure the product works as intended.

**Launch or Commercialization:** Introducing the product to the market, which may involve a rolling launch or market testing.

**Evaluation:** Monitoring the product's performance after launch and making necessary modifications or decisions about its future.

## **Evaluating New Ideas**

Companies should evaluate new product ideas based on the following criteria:

Does the product add value for the customer and satisfy a market need?

Can the product be made within the desired time frame?

How many units will sell, and at what price?

Can the product be manufactured and sold profitably?

Is after-sales service required, and does the company have the resources for it?

Does the product fit the company's image and strategy?

## **Strategies for Products in the Decline Stage**

When a product enters the decline stage, companies can pursue the following strategies:

**Reduce Promotional Expenditures:** Cut down on advertising and promotion costs for the declining product.

**Reduce Distribution Outlets:** Limit the number of outlets where the product is sold.

**Price Cuts:** Offer the product at lower prices to clear out inventory.

**Harvesting:** Gradually reduce all costs associated with the product, including investments and marketing expenses, to maximize profits until the inventory runs out.

**Divesting:** Sell the brand to another company or drastically reduce prices to get rid of the remaining inventory.

**Modification:** Modify the product in the maturity stage to avoid entering the decline stage.

The choice of strategy depends on factors such as the rate of decline, competitive landscape, and the company's overall product portfolio.

**Reference:**

Tanner, J., & Raymond, M. A. (2012, May). Principles of Marketing v2.0 | Textbook |

FlatWorld. [https://catalog.flatworldknowledge.com/catalog/editions/tanner\\_2-0-principles-of-marketing-2-0](https://catalog.flatworldknowledge.com/catalog/editions/tanner_2-0-principles-of-marketing-2-0)

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