

Title:

New Product Development

Word Count:

310

Summary:

New product development is one of the most important components of product policy and product management. Product lines and products are appraise and are positioned effectively. Brand decisions are taken wisely. For a higher level of growth, a firm has to look beyond its existing products. A progressive firm has to consider new product development as a cardinal element of its product policy.

Keywords:

Product Development, New Product Development, Product Design And Development, Product Development Processes

Article Body:

New product development is one of the most important components of product policy and product management. Product lines and products are appraise and are positioned effectively. Brand decisions are taken wisely. For a higher level of growth, a firm has to look beyond its existing products. A progressive firm has to consider new product development as a cardinal element of its product policy.

Innovation is the essence of all growth. This is especially true in marketing. In an age of technological advancements, change is a natural outcome -- change in food habits, change in expectations and requirements. Any business has to be vigilant to these changes taking place in its environment. People always seek better products, greater convenience, newer fashion and more value for money.

A business firm has to respond to these dynamic requirements of its clientele and these responses take the shape of new products and new services. Through such a response, the firm reaps a good deal of benefits. New products become necessary from the profit angle too. Products that are already established often have their limitations in enhancing the profit level of the firm. Profits from products decline as they reach the maturity stage of their life cycle. Thus, it is necessary for business firms to bring in new products to replace old, declining and losing products.

New products become part and parcel of the growth requirements of the firm and in many cases, new profits come to the firm only through new products. New

products can be broadly classified into two groups: new products arising out of technological innovations and new products arising out of marketing oriented modifications. The first group involves innovations leading to intrinsically new products with a new functional utility behind them. The second group involves mere marketing oriented innovations in existing products; it gives rise to new versions of the existing products.