

A STUDY ON NEW PRODUCT DEVELOPMENT WITH REFERENCE TO HERITAGE

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ABSTRACT

Marketing is the science and art of exploring, creating, and delivering value to satisfy the needs of a target market at a profit. Marketing identifies unfulfilled needs and desires. It defines, measures and quantifies the size of the identified market and the profit potential. It pinpoints which segments the company is capable of serving best and it designs and promotes the appropriate products and services.

New product development and improvements in product performance have become strategic objectives for many technology-driven firms. These goals may conflict, however, and firms must explicitly consider the tradeoff between them. In this paper we introduce a *multistage* model of new product development process which captures this tradeoff explicitly. We show that if product improvements are *additive* (over stages), it is optimal to allocate maximal time to the most productive development stage. We show that some new product development metrics employed in practice, such as minimizing break-even time, can be sub-optimal if firms are striving to maximize profits. We also determine the minimal speed of product improvement required for profitably undertaking new product development, and discuss the implications of product replacement which can occur whenever firms introduce successive generations of new products. Finally, we show that an improvement in the speed of product development does not necessarily lead to an earlier time-to-market, but always leads to enhanced products.

After the company is satisfied with the product's functional performance, the product is ready to be dressed up with a preliminary marketing program and to be tested. The purpose of market testing is to learn what the product's impact is in

a competitive environment and how customers and dealers react to handling, using and purchasing the actual product. This will provide much more accurate details on market acceptance and thus, sales and profit

Improving and updating product lines is crucial for the success for any organization. Failure for an organization to change could result in a decline in sales and with competitors racing ahead. The process of NPD is crucial within an organization. Products go through the stages of their lifecycle and will eventually have to be replaced There are eight stages of new product development.

I. INTRODUCTION

In business and engineering, **new product development** (NPD) is the term used to describe the complete process of bringing a new product or service to market. There are two parallel paths involved in the NPD process: one involves the idea generation, product design and detail engineering; the other involves market research and marketing analysis. Companies typically see new product development as the first stage in generating and commercializing new products within the overall strategic process of product life cycle management used to maintain or grow their market share.

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The dynamics of markets, technology, and competition have brought changes to virtually every market sector and have made new product development one of the most powerful business activities. The monumental changes that constantly impact commerce have forced companies to innovate with increasing speed, efficiency, and quality. In turn, this has made new product development one of the most complex and difficult business functions. However, firms must innovate in order to survive. The power of innovation is revealed in numerous studies, which show that companies leading their industries attribute about half of their revenues to products developed in the most recent five years. By comparison, companies at the bottom of their industries achieve approximately one-tenth of their sales from new products.

Need and Importance of the study

This Particular topic is chosen because every organization requires Marketing Research to sustain in long run and provide good services. Marketing Research helps to modify or develop new product as per the market needs and preferences. The purpose of market research is to help companies make better business decisions about the development and marketing of new products. Market research represents the voice of the consumer in a company.

Heritage Foods (India) Limited process driven approach forms the foundation for engaging with customers, to build high quality, cost-effective products and applications. Over and above, we lay our thrust in understanding customer needs to devise optimum design and development strategies that would enable them to market their product quickly.

Heritage Foods (India) Limited Solutions has the concept of Framework and "Component Based Development" for product / application development and reusability and provides cost-effective services to our customers for outsourced product development.

II. OBJECTIVES OF THE STUDY

- To know how many Public use online Advertising.
- To develop **New Dairy\Retail Products with** the extra features which other Advertising websites lack.
- To know how Public use internet for different purposes.
- To create one slab for buying, selling and other related information for public.
- To find out how internet is useful in Retail industry
- To find out satisfaction levels of Public with the services of leading advertising sites.
- To create an innovative and new revolution in online advertising.
- To create an effective interface between clients and company.
- To Provide maintenance and support services to the customers as part of its service offering

III. Research and Methodology

The Study was conducted by convent sampling and was administrated through questionnaire. This research was conducted for **Heritage Foods (India) Limited**. New product "**New dairy\Retail Products**". The base customers are the General public, constructors, builders, Suppliers, developers to know their opinion about the process of advertising and there was a good response.

Data Collection Tools

Primary Data: The data collected was /is primary data. It requires to meet the objectives of the project was obtained mainly as primary data to know the opinion of the respondents about the process of advertising.

Secondary Data: Secondary Data includes the collection of information from several journals, reports, magazines and through internet etc.

Sample Design: A sample design of 100 respondents was taken and segmented into Public.

Type of Questionnaire: The questionnaire consists of open ended, multiple choice dichotomous and closed ended questions.

To evaluate the true picture of advertising process, the data was collected; classified, analyzed and interpreted the results were converted into percentages and numbers so as to know the correct figure of preference.

Limitations

- Time is an important constraint. The whole study was conducted in a period of 45 days.
- The Study is Restricted to a limited region i.e., the twin cities of Hyderabad and Secunderabad. So, the inferences made by this study are not applicable to the entire market.
- The data collection from the respondents is qualitative in nature i.e., views, opinions, etc., so it is not a convenient data for the study for a longer duration.
- The Respondents were very apprehensive while taking the telephone number and address.
- I consulted only public, customers of **Heritage Foods (India) Limited** only. I collected only 100 samples.

IV. NEW PRODUCT DEVELOPMENT

In business and engineering, **new product development** (NPD) is the term used to describe the complete process of bringing a new product or service to market. There are two parallel paths involved in the NPD process: one involves the idea generation, product design and detail engineering; the other involves market research and marketing analysis. Companies typically see new product development as the first stage in generating and commercializing new products within the overall strategic process of product life cycle management used to maintain or grow their market share.

A firm's new product development efforts are shaped by its size, as well as the nature of the industry in which it operates. New products may

be defined as any product, service, or idea not currently made or marketed by a company, or which the consumer may perceive as new. Many types of new products exist, from never-seen-before products like Apple's personal communicator, to repositioned standards like Sears' shift to Sears Brand Central. Various studies suggest that between 50 and 80 percent of new products fail—the greater the rate of new product development, the higher the failure rate. *New Product News* predicts that more than 36,000 new products will be brought to market in 2005. Although there are numerous reasons why new products fail, faulty management and planning are at the core of most failures. Therefore, managing the new product development process is a key to a healthy organization.

TYPES AND SOURCES OF NEW PRODUCTS

There are five categories of new products. New-to-the-world products or services are new inventions like in-line skates and health maintenance organizations. New category entries, such as sport utility vehicles, are products or services that are new to a firm. Additions to product lines add products or services to a firm's current markets. For example, when a powder laundry detergent offers a liquid version it is considered a line extension. Product improvements are another type of new product and are common to every product category. Repositionings target products to new markets or for new uses.

Firms can obtain new products internally or externally. External sourcing means the company acquires the product or service, or obtains the rights to market the product or service, from another organization. Internal development means the firm develops the new product itself. This is riskier than external development because the company bears all of the costs associated with new product development and implementation. Collaborations, which include strategic partnerships, strategic alliances, joint ventures, and licensing agreements, occur when two or

more firms work together on developing **new products**.

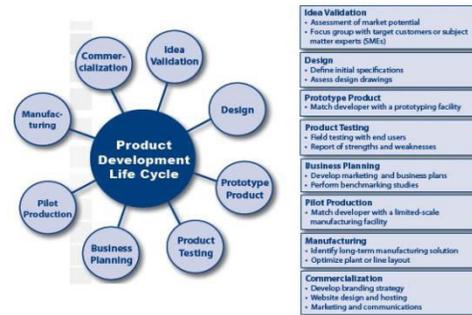
FACTORS INFLUENCING NEW PRODUCT DEVELOPMENT

The seven-step process assumes a definite beginning and end. However, studies suggest that what goes on before and after new products are introduced is as important as the process itself. Organizational structure, leadership, and team building influence the speed and efficiency with which new products are introduced. Structure influences efficiency, autonomy, and coordination. New product innovation requires structure that optimizes direction and guidance. Structure that facilitates internal information exchange, decision making, and materials flow is essential. A "fast-cycle" structure allows more time for planning and implementing activities to gain competitive advantage. This type of structure also cuts costs because production materials and information collect less overhead and do not accumulate as work-in-process inventory. Autonomy refers to the amount of decision making allowed at lower levels of management. The coordination of the engineering, product design, manufacturing, and marketing functions in the new product development process is vital.

Leadership influences strategy, culture, and the firm's overall ability to undertake new product development. Top management can demonstrate involvement in the development process by providing career advancement for entrepreneurial skills and encouraging broad employee participation. Clarity and vision are crucial to ensuring that new product ideas are good strategic fits for the company. The degree to which leadership allows trial and error and promotes individual initiative positively influences the development of new products. This acceptance of risk and support for an entrepreneurial spirit within the organization are crucial in order for innovation to flourish. New products emerge in a variety of ways and their development does not always proceed in rational and consistent manners. It is necessary for leadership to view the process as iterative and

dynamic, and to foster adaptation and flexibility. Management flexibility and responsiveness to change also are needed. This type of leadership is particularly important to the project manager who must coordinate and integrate the various parts of the new product development process so that a coherent system emerges that produces a product with compelling value. Initiative encourages creativity and problem-solving skills.

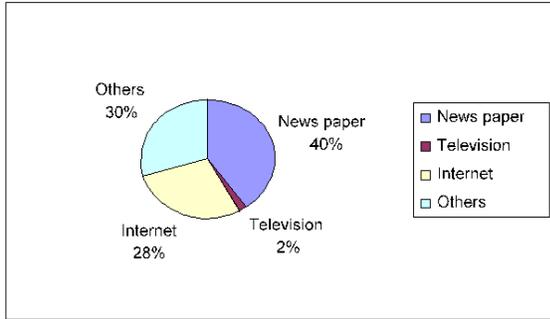
Teams provide mechanisms for breaking down functional biases created by a strict adherence to structure. The amount of interdepartmental conflict in the organization, the social cohesion among team members, and the frequency and directionality of interdepartmental communication influence team building. Through shared understanding of the objectives and purposes of the project, as well as the tasks required in the development process, teams can shape the project and influence how work gets done in the organization.



V. DATA ANALYSIS AND INTERPRETATION

1. How do you advertise your business?

News paper	40%
Television	2%
Intemet	28%
Others	30%

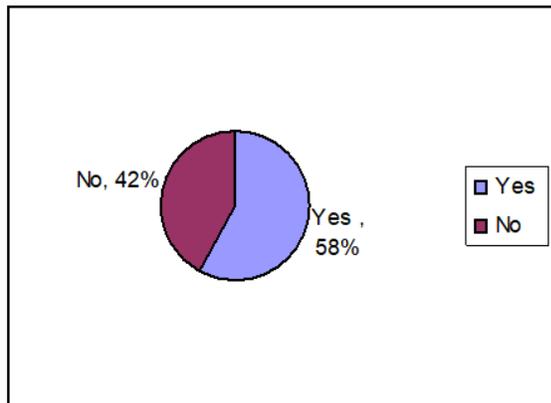


Interpretation:

The above table discloses the facts that most of the respondents i.e., 40% use newspaper for advertising, 30% of them uses their own advertisement tools.,28% of the respondents are using online media for advertising.only2% of them are using Television as their advertising tool.

2. Do you think website is the easiest way of advertisement?

Yes	58%
No	42%

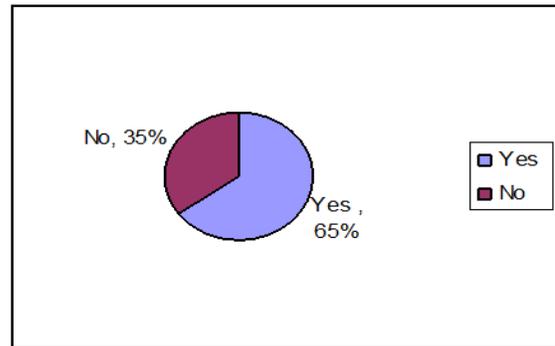


Interpretation:

The above chart reveals that 58% of respondents are thinking website is an easiest way of advertising, 42% of them do not agree with these. So, there is an increasing demand in online advertising.

Do you have website? If Yes Please Mention your website?

Yes	65%
No	35%



Interpretation:

By observing the above graph we can know that 65% of the respondents have their own websites, only 35% of them do not maintain any website. By seeing this we can know that many of the respondents use Internet as tool for advertising.

VI. CONCLUSION

Businesses need to use all the resources they have, including skills and knowledge. Continuous improvement at Corus provides a process in which everybody can play a part in moving the business forward. Working in teams enables employees to share their ideas and expertise.

Using the expertise of staff helps the business to develop. It also empowers individuals to take on responsibility and provides them with increased job satisfaction.

New product development may involve risk, such as investing time, resources and money in new technologies.

However, in meeting these needs, it has also opened up other business opportunities. By

winning this contract, Corus is now able to make this higher grade steel available as part of its product portfolio. As a long-term strategy, it will help the business to outperform its competitors and increase its market share.

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