

MAHARISHI COLLEGE OF NATURAL LAW



➤ **PRESENTED BY:-**

DR. RUTUPARNA MANGARAJ
(LECTURER IN COMMERCE)

- **SUBJECT:- “PRINCIPLES OF MARKETING”**
- **TOPIC:- “PRODUCT PLANNING” (UNIT-2)**
- **GE-4, SEMESTER-4 *BLENDLED LEARNING SYSTEM***



What is a product?

- A product is anything that can offered to market for attention, acquisition ,use, consumption that might satisfy a want or need. ~**Philip Kotler**
- Products can be both tangible(eg mobile phones) and intangible(eg service by a doctor)
- To create successful new products, the company must: – understand it's customers, markets and competitors .



Why product fails?

- Doesn't match current company objectives
- Incorrectly positioned, priced, or advertised
- Overestimating market size
- Poor marketing research
- Obsolete
- No longer profitable
- Excessive development cost



What is product planning?

- Product planning is the process of creating a product idea and following through on it until the product is introduced to the market. Product planning entails managing the product throughout its life using various marketing strategies, including product extensions or improvements, increased distribution, price changes and promotions.
- It starts with the generation of idea and continues till the time the product is ready to be launched in the market.
- Proper product planning is sine qua non for the growth of a firm , absence of product planning would lead to wastage of time and resources.

Benefits of product planning~

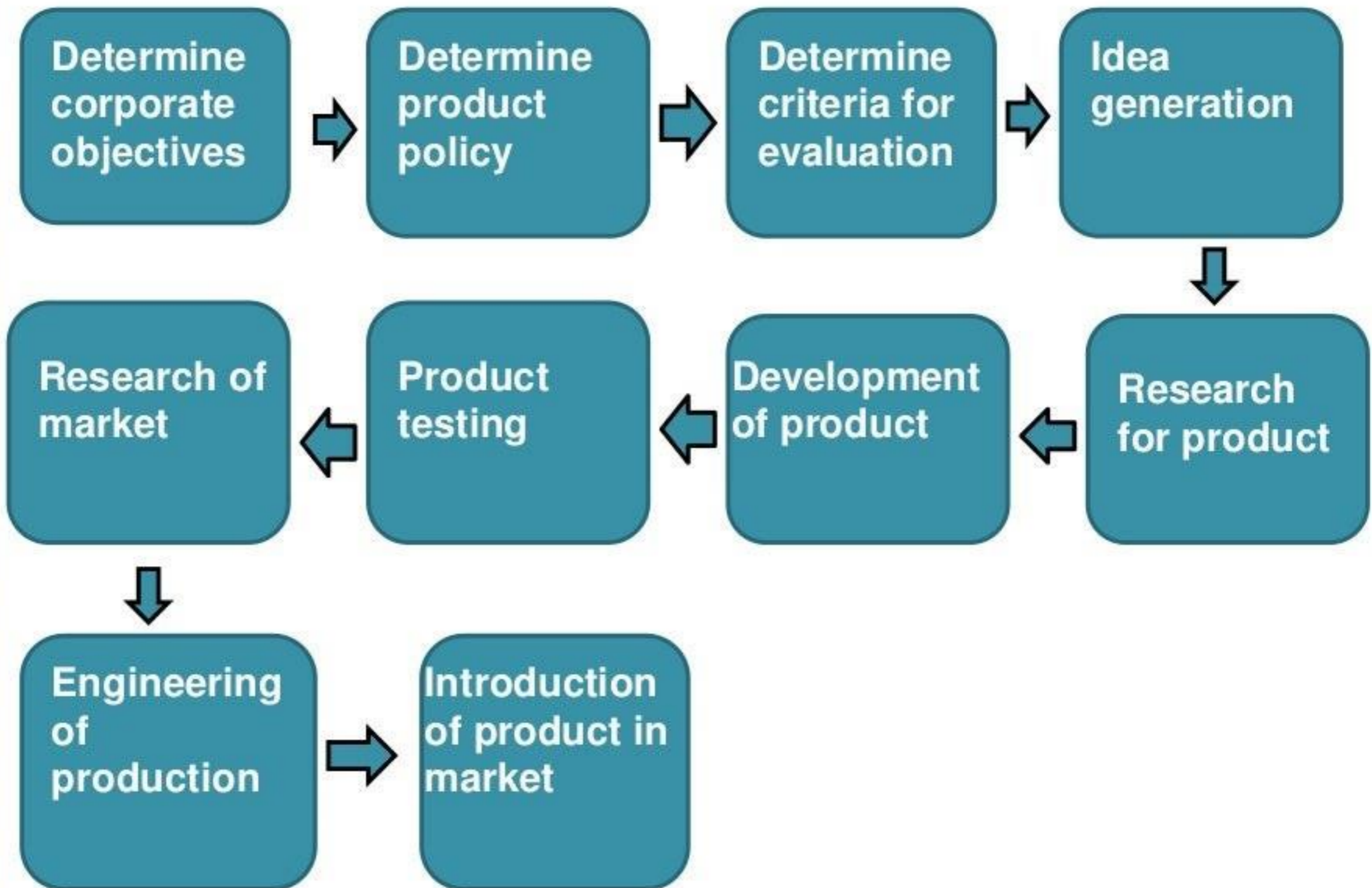
- **Efficient Service to Customers-** enabling production to be conducted in accordance with the time schedules and therefore deliveries are made on promised dates
- **Co-Ordination-** It serves to co-ordinate the activities of plant and results in a concerted effort by workmen
- **Effective Utilization of Resources-** It reduces the loss of time by the workers waiting for materials and makes most effective use of equipments.
- **Cost Reduction-** Production control programmes minimizes the idleness of men and machines .
- **Avoidance of Bottlenecks-** The incomplete work does not get accumulated.



Why to develop new products?

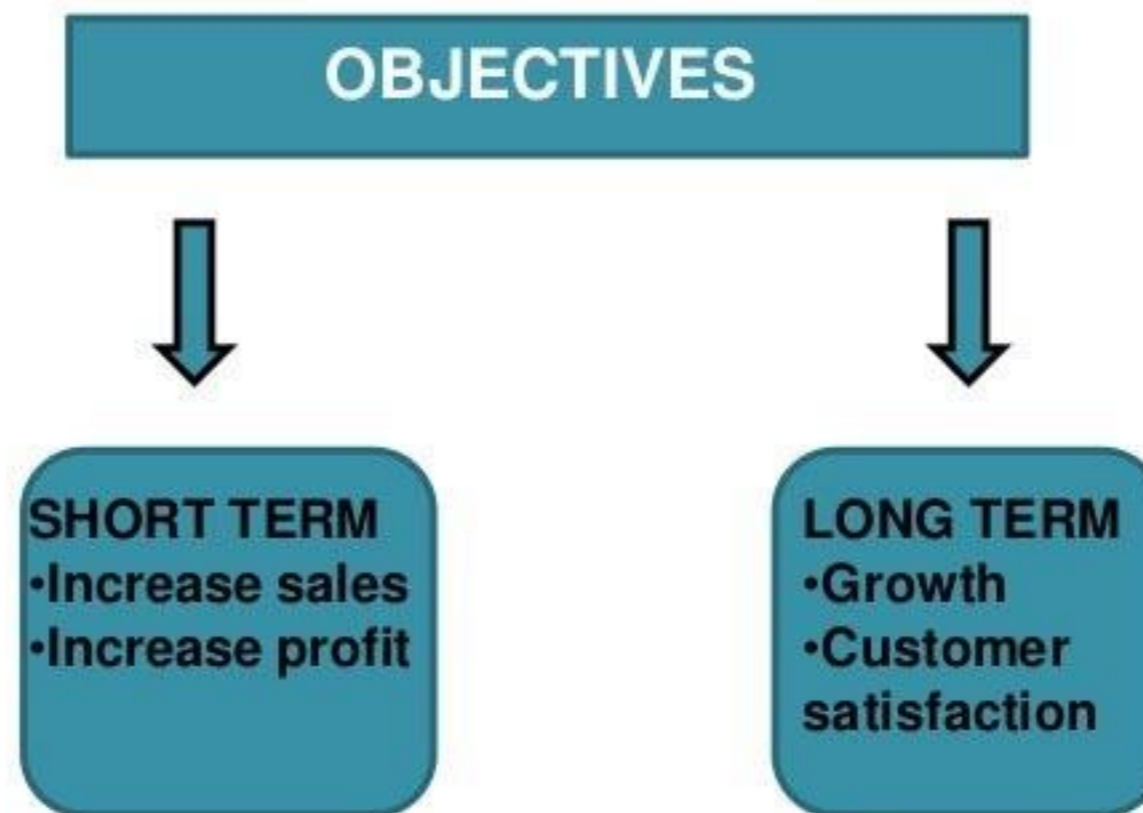
- To replace declining product
- To take advantage of new technology
- To defeat rivals
- To maintain/increase market share
- To maintain competitive advantage

Procedure for product planning~



Determine corporate objectives~

- Every firm must work within the framework of certain objectives. Therefore it is important that the objectives are clear and there is no ambiguity. It is vital for the success of the firm to function within the ambit of its objectives.



Determine product policy~

- A company must analyse its weaknesses and strengths with respect to its history ,personnel and resources. Every firm has limited resources therefore it is vital that the resources are put to their most productive use.

Example~ Amazon started in 1994 as a bookstore.



And now~~~

amazon

amazon.com

Elliott's
Store

See All 31
Product Categories

Your Account |  Cart | Wish List | Help

Books

Music

DVD

VHS

Magazines & Newspapers

Computer & Video Games

Software

Electronics

Audio & Video

Camera & Photo

Cell Phones & Service

Computers

Office Products

Musical Instruments

Home & Garden

Automotive

Bed & Bath

Furniture & Décor

Gourmet Food

Kitchen & Housewares

Outdoor Living

Pet Supplies

Tools & Hardware

Apparel & Accessories

Shoes

Jewelry & Watches

Beauty

Health & Personal Care

Sports & Outdoors

Toys & Games

Baby

Wish List

Gift Certificates

Wedding Registry

Baby Registry

Free e-Cards

In-Store Pickup

Friends & Favorites

Early Adopters

Product Chat

Auctions

Outlet

zShops

Nonprofit Innovation Award

Short Film Competition

Movie Showtimes

Restaurants

Yellow Pages

Travel

Sell Your Stuff

Associates Program

Advantage Program

Paid Placements

Web Services

Corporate Accounts

amazon.com

Feeding the **INNOVATION PIPELINE**



Development of new ideas~

- “Dreamers are mocked as impractical. The truth is they are the most practical, as their innovations lead to progress and a better way of life for all of us.”

— *Robin S. Sharma*

- Innovation is the way forward in today's world of cut throat competition. Only the companies with new ideas would be able to survive in today's world.
- Idea generation ranges from incremental improvements to existing products to new to the world products.

(produce a drug to reduce cholesterol with less side effects = impro

produce a drug that
product)



a = new to the world

Sources of new ideas

INTERNAL

- EMPLOYEES

EXTERNAL

- CUSTOMERS
- COMPETITORS
- DISTRIBUTORS
- FOREIGN FIRMS



- New brand line adopted by Philips “***innovation and you***”
- Looking to convey its belief that “innovation is only meaningful if it delivers on people’s unmet needs and desires”, the creative highlights the ways in which Philips products and services fit into people’s lives.
- : “Our commitment is to deliver innovation that matters to people, by making healthcare more affordable, improving people’s health and wellbeing through our consumer appliances, and making the world more sustainable through our lighting solutions.”

Lack of innovation~MOTOROLA

Its first big success came with car radios, which led to two-way radios, which eventually led Motorola to build and sell the world's first mobile phone. Motorola dominated that business as recently as 2003, when it introduced the trendy Razr, the biggest-selling mobile phone ever at the time. But Motorola failed to focus on smartphones that can handle E-mail and other data, and rapidly lost share to newcomers like Research in Motion, Apple, LG, and Samsung. Motorola was vanquished so swiftly that its cell phone business is now a money-loser.



R&D for product~



- Nowadays almost every organisation has a separate department for R&D this itself implies its importance .
- The world is dynamic and is changing every second thus it is important to adapt to the changing world to stay in competition and for this research is required.
- Developed countries spend huge amount of their resources on R&D.
- Development includes the ability of adaptation of others idea to cater the needs and requirements of a company.

Data on R&D spending~

- US spent \$405 billion on R&D i.e 3% of its GDP in the year 2012
- China spent \$296 billion on R&D i.e 2% of its GDP, whereas
- India spent merely \$36 billion on R&D i.e not even 1% of its GDP
- SAMSUNG alone spent \$11 billion on R&D in the year 2013.

Concept testing~



- Idea has to be developed into a concept
- A concept is a detailed version of the idea stated in a meaningful consumer terms.
- The developed concept will be tested among a sample of consumers.
- This will be presented to the target market in words or pictures or a prototype of the product is made.
- Few questions will be asked to check whether the target market will buy the product.
- Concept testing of prototypes can help avoid costly mistakes.
- This helps in knowing the reaction of the customers upon the launch of the product and whether they will find it useful or not.

Question: Based on the description of the product, how would you rate it on the following parameters?

	Excellent	Good	Average	Poor	Very Poor
Uniqueness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Quality	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Utility	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Value-in-use	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Innovativeness	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Visual appeal	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Question: This product, according to you-

- is fit to be launched.
- needs considerable modifications and refinement before it is launched.

Question: What is your age? (Customize according to the product)

- Below 20 years
- Between 20 and 30 years
- Between 30 and 40 years
- Between 40 and 50 years
- Between 50 and 60 years
- Above 60 years

Question: How do you think this product compares with the other brands available in the market in terms of meeting your requirement?

- There doesn't appear to be any significant difference between this one and the other brands.
- This product appears to be a huge improvement over the ones currently available in the market.

Question: Which of the feature(s) of the product do you not like?

Question: Please specify your gender.

- Male
- Female

Question: Which of the feature(s) of the product do you like?


Question: Please indicate your occupation. (Customize according to the product)

- Student
- Working professional
- Self-employed
- Business owner
- Other

Other, please specify.

Market research / Test marketing~

- Understanding the market is of utmost importance , market offers various opportunities and threats and it is important to grab the opportunities at the earliest.
- During the test marketing, the marketers offer the product for sale in a limited area where they can measure the response.
- Based on the results of test marketing, marketers determines how the marketing mix should be adjusted before a full scale launch.

- 
- This helps to estimate sales of the product in the market upon its launch.
 - This information helps the firm to plan accordingly and it can calculate the cost involved and the profits that the firm will be able to earn.
 - If the product gets a positive response then only the firm decides to launch it in further markets otherwise the firm stops the development of the particular product and starts the process all over again with new and better ideas.



How market research helped

Instagram

Kevin Systrom and Mike Krieger put a full year of work into a new location-based, check-in app called Burbn, even developing a full-fledged iPhone app. After releasing the app, the team wisely chose to reevaluate the market. "It felt cluttered, and overrun with features," [Systrom said](#). He and Krieger also faced reality: they were late to the game in a trendy space already dominated by Foursquare. They removed almost all of their features, leaving only photos, commenting, and liking. They rebranded their business as Instagram. By looking closely at the market, understanding their strengths, and researching competitors, they were able to make the right call.

[Facebook](#) bought Instagram in late 2012 for nearly three quarters of \$1 billion in cash and stock

burbn mager 352 pts

Move Plans Friends Invite

mager settings

FEED **ACHIEVEMENTS**

Most Recent Moves

 **mager** made plans to go to **Web 2.0 Ecpo** at **Moscone Center**

Thu 09:14AM · like · comment

 **mager** made plans to go to **SF Giants tweetup** at **AT&T Park**

kevin likes this.

Thu 09:09AM · like · comment

 **mager** visited **First Round Capital LLC**



Thu 09:03AM · like · comment



Explore **INSTAGRAM** 

 **177** photos **6.4m** followers **0** following

Follow

Instagram
Photos straight from Instagram HQ!
bit.ly/onthecouch01

   **Photo Map** 



Engineering the production

- If the market research shows a positive sign then the next step is to arrange for resources i.e manpower , machinery , money , material etc which would be required for the production process.
- In this the final decisions regarding the production of the product are taken.
- Decision regarding the price , promotion and advertisement of the product are also taken.

Price plays a very important role in the sales of the product therefore the price should neither be too high nor too low.

Launch of the product~

- This is the last step in the procedure of product planning.
- Product is finally launched In the market this has to Be supplemented by a good Advertising plan so that all Consumers are aware About the launch of the Product and how it would Help them.





Thank you