

**NEW PRODUCT DEVELOPMENT (NPD)
PART-II**

Conjoint analysis, also called multi attribute compositional models, is a statistical technique that originated in mathematical psychology. Today it is used in many of the social sciences and applied sciences including marketing, product management, and operations research.

The objective of conjoint analysis is to determine what combination of a limited number of attributes is most preferred by respondents.

It is used frequently in testing customer acceptance of new product designs and assessing the appeal of advertisements. It has been used in product positioning, but there are some problems with this application of the technique.

Process

The basic steps are:

- Select features to be tested
- Show product feature combinations to potential customers
- Respondents rank the combinations
- Input the data from a representative sample of potential customers into a statistical software program and choose the conjoint analysis procedure. The software will produce utility functions for each of the features.
- Incorporate the most preferred features into a new product or advertisement

COMMERCIALIZATION

THIS IS THE MOST CRUCIAL DECISION BY MARKETING MANAGERS

- It involves cost to the maximum
- It is the beginning of a long journey of the product
- No mistake of even a minor nature is acceptable or admissible.

The process of commercialization is defined as a series of steps to be taken by the MARKETING MANAGEMENT towards bringing this new product to the markets and to the consumers. Some of the major decisions have to be taken and strategies devised to launch and make product successful at the very outset.

The decisions required are:

- **WHEN TO LAUNCH THE PRODUCT?**
- **WHERE TO LAUNCH THE PRODUCT?**
- **TO WHOM TO LAUNCH THE PRODUCT?**
- **HOW TO LAUNCH THE PRODUCT?**

Let us discuss each of these four decisions.

WHEN TO LAUNCH THE PRODUCT?

In commercialization, the most important decision is to determine timing.

If the product is seasonal in nature, the timing has to be in keeping with seasons. – secondly, the product has to be reviewed. Is it a replacement of an already existing product? If its so, we must

take into account the already existing stocks of old product. The firm has to take decisions on entry strategies too.

Should the product be first to enter the market? Or should it have a parallel entry? or should it wait for late entry. The market will decide which timing is more suitable. The first entry advantage be taken or wait for competitors to enter and learn from the results. It all depends on the nature of the product. Is it new to the world type or new to the market or new to the firm or both or is very innovative or minor modification product. These features will determine our decision. But very careful study and review is important

WHERE TO LAUNCH THE PRODUCT?

Is the product to be launched in a locality, region, or several regions or nationally or even internationally.

This geographical territory will decide the marketing approach. Advertisement, publicity and promotion, distribution, delivery modes, networking of systems and all other ingredients of marketing including cost of marketing will be decided on this crucial decision.

TO WHOM TO LAUNCH THE PRODUCT?

It is yet another crucial decision. There are prime customers, heavy users, bulk customers, prestigious consumers, early adopters or opinion leaders. The approach in marketing has to be directed to some or all of such consumers. We must cover all possible customers and make sure that product has been accepted by them with more serious and strategic approach

HOW TO LAUNCH THE PRODUCT?

Indeed, once the decision on timing and place and to whom has been taken, the decision on how becomes clear and easier.

- The marketing plan must be made on all aspects as covered before.
- Critical Path Scheduling (CPS) must be made to determine what needs to be done and after what. Timing for each activity that needs to be done is worked out in CPS and proper planning is done and resources allocated already with clear responsibility.