# Contents in Brief

## PART ONE
Overview and Opportunity Identification/Selection 3

1. The Menu 5
2. The New Products Process 22
3. Opportunity Identification and Selection: Strategic Planning for New Products 44

## PART TWO
Concept Generation 73

4. Preparation and Alternatives 75
5. Problem-Based Ideation 95
6. Analytical Attribute Approaches: Introduction and Perceptual Mapping 118
7. Analytical Attribute Approaches: Trade-Off Analysis and Qualitative Techniques 135

## PART THREE
Concept/Project Evaluation 155

8. The Concept Evaluation System 157
9. Concept Testing 178
10. The Full Screen 203
11. Sales Forecasting and Financial Analysis 223
12. Product Protocol 251

## PART FOUR
Development 273

13. Design 277
14. Development Team Management 298
15. Special Issues in Development 323
16. Product Use Testing 350

## PART FIVE
Launch 373

17. Strategic Launch Planning 377
18. Implementation of the Strategic Plan 409
20. Market Testing Continued: Controlled Sale and Full Sale 449
21. Launch Management 469
22. Public Policy Issues 490

## BIBLIOGRAPHY 513

## APPENDIX

A Sources Of Ideas Already Generated 517
B Other Techniques of Concept Generation 523
C Small’s Ideation Stimulator Checklist 531
D The Marketing Plan 537
E Guidelines for Evaluating a New Products Program 543

## INDEX 547
PART ONE
OVERVIEW AND OPPORTUNITY IDENTIFICATION/SELECTION 3

Chapter 1
The Menu 5
Setting 5
Why Is This an Important Field of Study? 6
Are There Special Slants We as Students Should Be Aware of? 9
OK, So What Is a New Product? 11
What about New Services, Business-to-Business Products, and International Products? 13
On What Basic Ideas or Concepts Is This Field of Activity Built? 15
Don't Most Real Innovations Come from Small Firms and Inventors? 16
Is New Products Management an Art or a Science? 17
Does This Field of Activity Have a Unique Vocabulary? 17
Does The Field of New Products Offer Careers? 18
Given All of This, What Will We Be Doing in This Book? 19
Does All This Actually Work? 20
Summary 20
Applications 21

Chapter 2
The New Products Process 22
Setting 22
"It Doesn't Work That Way" 22
The Highlighter Saga 23
What Happened in That Saga? 25
The Basic New Products Process 25
Phase 1: Opportunity Identification and Selection 27
Phase 2: Concept Generation 28
Phase 3: Concept/Project Evaluation 29
Phase 4: Development 30
Phase 5: Launch 31
The Concept Life Cycle 32
What about New-to-the-World Products? 34
Closing Thoughts about the New Products Process 35
All Firms Are Different 35
Moments of Truth 38
Summary 39
Applications 39
Case: Merck 40
Case: Nabisco Snackwell's 41

Chapter 3
Opportunity Identification and Selection: Strategic Planning for New Products 44
Setting 44
Why Have Strategic Planning? 44
A Strategy for a "Company within a Company" 45
New Product Strategy Inputs 45
Product Platform Planning 46
Opportunity Identification 50
Noncorporate Strategic Planning 50
Miscellaneous Sources 51
The Product Innovation Charter 52
Background Section of the PIC 54
The Arena (Area of Focus) Section of the PIC 55
Goals and Objectives Section of the PIC 57
Special Guidelines Section of the PIC 58
A Word on How to Prepare a Product Innovation Charter 60
The New Product's Strategic Fit 63
Other Issues That Arise in the Process of Creating Charters 64
Summary 66
PART THREE
CONCEPT/PROJECT EVALUATION 155

Chapter 8
The Concept Evaluation System 157
Setting  157
What's Going on in the New Products Process?  157
The Evaluation System for the Basic New Products Process  158
Product Line Considerations in Concept Evaluation  160
The Cumulative Expenditures Curve  161
The Risk/Payoff Matrix  162
The Decay Curve  163
Planning the Evaluation System  164
Everything Is Tentative  164
Potholes  165
The People Dimension  166
Surrogates  167
The A-T-A-R Model  168
Where Do We Get the Figures for the A-T-A-R Model?  172
Further Uses of the A-T-A-R Model  172
Summary  173
Applications  173
Case: Concept Development Corporation  174
Case: The G5 Doll  175

Chapter 9
Concept Testing  178
Setting  178
The Importance of Up-Front Evaluations  178
The Product Innovation Charter  179
Market Analysis  180
Initial Reaction  180
Concept Testing and Development  181
What Is a New Product Concept?  183
The Purposes of Concept Testing  184
Considerations in Concept Testing
Research  185
Prepare the Concept Statement  185
Define the Respondent Group  190
Select the Response Situation  190
Prepare the Interviewing Sequence  191
Variations  192
Customer Preferences and Benefit Segments  192
Identifying Benefit Segments  193
Joint Space Maps  193
Conjoint Analysis in Concept Testing  196
Conclusions  198
Summary  199
Applications  199
Case: Wolverine Car Wash  200
Case: AT&T Magicphone Phone-Fax-Copier (B)  201

Chapter 10
The Full Screen  203
Setting  203
Purposes of the Full Screen  203
Screening Alternatives  205
The Scoring Model  205
Introductory Concept  206
The Procedure  207
Profile Sheet  212
The Newprod Screening Model  212
The Analytic Hierarchy Process  215
Special Aspects  217
Summary  219
Applications  219
Case: Wilson Sporting Goods (A)  220

Chapter 11
Sales Forecasting and Financial Analysis  223
Setting  223
Sales Forecasting for New Products  224
Forecasting Sales Using Purchase Intentions  225
PART FOUR
DEVELOPMENT 273

Chapter 13
Design 277
Setting 277
What Is Design? 277
The Role of Design in the New Products Process 278
Contributions of Design to New Product Goals 278
Product Architecture 282
A Process for Product Architecture 282
Product Architecture and Product Platforms 283
Industrial Design, and the Industrial Designer 284
Prototype Development 285
Managing the Interfaces in the Design Process 287
Improving the Interfaces in the Design Process 290
Computer-Aided Design and Design for Manufacturability 292
Summary 294
Applications 294
Case: Gillette MACH3 295

Chapter 14
Development Team Management 298
Setting 298
What Is a Team? 298
Structuring the Team 299
Another Look at Projectization 303
Choosing an Organizational Option 304
Building a Team 305
Establishing a Culture of Collaboration 306
The Team Assignment and Ownership 306
Selecting the Leader 308
Selecting the Team Members 309
Roles and Participants 310
Network Building 312
Training the Teams 314
Managing the Team 315
On-going Management of the Team 315
Chapter 15
Special Issues in Development 323

Setting 323
Speed to Market 323
Techniques for Speeding Time to Market 325
Overall Principles and Guidelines 327
Specific Actions in the Various Parts of a Program 329
The Role of Marketing during Development 331
Marketing Is Involved from the Beginning of the Process 331
Marketing Ramp-Up, Or the "I Think We’ve Got It" Phase 332
The Role of Top Management During Development 333
Functional Interface Management 334
Why the Friction? 335
Managing the Interfaces 336
Overcoming Barriers to Market Orientation 339
New Service Development 339
Global Considerations 342
Strategies for Global Product Innovation 342
Managing Globally Dispersed Teams 343
Summary 345
Applications 345
Case: Ford Mondeo 346
Case: Europa International 347

Chapter 16
Product Use Testing 350
Setting 350
What Is Product Use Testing? 351
Is Product Use Testing Really Necessary? 352
Are These Arguments Correct? 352
Knowledge Gained from Product Use Testing 357
Decisions in Product Use Testing 360
Who Should Be in the User Group? 360
How Should We Reach the User Group? 361
Should We Disclose Our Identity? 362
How Much Explanation Should We Provide? 362
How Much Control over Product Use Should There Be? 362
How Should the Test Be Conducted? 363
Over What Time Period Should the Test Be Conducted? 364
What Should Be the Source of the Product Being Tested? 365
What Should Be the Form of the Product Being Tested? 365
How Should We Record Respondents’ Reactions? 366
How Should We Interpret the Figures We Get? 367
Who Should Do the Product Use Test? 368
Special Problems 368
Summary 369
Applications 369
Case: Product Use Testing for New Consumer Nondurables 370

PART FIVE
LAUNCH 373

Chapter 17
Strategic Launch Planning 377
Setting 377
The Strategic Givens 378
Revisiting the Strategic Goals 379
Strategic Platform Decisions 380
Type of Demand Sought 380
Permanence 381
Aggressiveness 381
Competitive Advantage 382
Product Line Replacement 382
Competitive Relationship 383
Scope of Market Entry 384
Image 384
The Target Market Decision 384
Alternative Ways to Segment a Market 384
Micromarketing and Mass Customization 386
Targeting May Also Use Diffusion of Innovation 388
Chapter 18
Implementation of the Strategic Plan 409

Setting 409
The Launch Cycle 409
Launch Tactics 413
The Communications Plan 413
The Copy Strategy Statement 415
Personal Selling 415
Alliances 417
A-T-A-R Requirements 417
Awareness 418
Stocking and Availability 419
Trial 421
Repeat Purchase 424
Summary 425
Applications 425
Case: Iridium 406
Case: AT&T Magicphone Phone-Fax-Copier (C) 407

Chapter 19
Market Testing: Pseudo Sale Methods 430

Setting 430

Where We Are Today 430
The Marketing Testing Decision 432
When Is the Decision Made? 432
Is This an Easy Decision to Make? 432
The Two Key Values We Get from Market Testing 434
The Factors for Deciding Whether to Market Test 435
Methods of Market Testing 438
Pseudo Sale 439
Controlled Sale 440
Full Sale 440
Pseudo Sale Methods 440
Speculative Sale 440
Simulated Test Market 441
Summary 446
Applications 446
Case: The 7-Eleven Frito Pie 447

Chapter 20
Market Testing Continued: Controlled Sale and Full Sale 449

Setting 449
Controlled Sale Methods 449
Informal Selling 449
Direct Marketing 451
Minimarkets 451
Scanner Market Testing 453
Full Sale Methods 454
Test Marketing 454
The Rollout 457
Wrap-up on Market Testing Methodologies 463
Summary 464
Applications 464
Case: Pepsico—Pepsi-Kona and Pepsi One 465
Case: Square D Remote Lamp Dimmer 467

Chapter 21
Launch Management 469

Setting 469
What We Mean by Launch Management 469
The Launch Management System 470
Step One: Spot Potential Problems 471
Chapter 22

Public Policy Issues 490

Setting 490
Bigger Picture: A Cycle of Concerns 490
   Phase I: Stirring 490
   Phase II: Trial Support 491
   Phase III: The Political Arena 492
   Phase IV: Regulatory Adjustment 492
Business Attitudes toward Product Issues 492
Current Problem Areas 493
Product Liability 494
   Typology of Injury Sources 495
   Caution 497
   The Four Legal Bases for Product Liability 497
   Other Legislation 499
   Planning for the Product Recall 499
   Attempts at Standardization and Clarification 500
Environmental Needs 501
   The Managerial Dilemma 501

Worthy Products 502
Morality 503
Monopoly 504
Personal Ethics 504
The Underlying Residual Issues 507
What Are New Products Managers Doing about All This? 507
   Strategy and Policy 507
   Control Systems 508
   Product Testing 508
   Marketing 508
   Market Testing 508
   Education 508
   External Affairs 509
Summary 509
Applications 510
Case: Napster 511

Bibliography 513

Appendix A Sources of Ideas Already Generated 517
Appendix B Other Techniques of Concept Generation 523
Appendix C Small’s Ideation Stimulator Checklist 531
Appendix D The Marketing Plan 537
Appendix E Guidelines for Evaluating a New Products Program 543
Index 547