

INTRODUCTION TO NEW PRODUCT DEVELOPMENT

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What is new food product development?

1. A product not previously manufactured by a company and introduced by that company into its marketplace or into a new marketplace, or
2. The presentation or rebranding by a company of an established product in a new form, a new package or under a new label into a market not previously explored by that company.

Need for developing a new product-

- All products have life cycles. As they lose profitability, they must be replaced, reinvigorated in some manner, or see consumer rejuvenation if the products or the manufacturer is to survive.
- New products provide opportunities for aggressive growth to satisfy management's long-range business goals.
- Demand for new foods by the public, for example, organic foods, functional foods, or foods designed for nutritional requirements of seniors, creates new market niches that provide opportunities for companies to enter with their products.
- Traditional marketplaces change, and new ones are created. For example, e-commerce has emerged and is maturing; the challenge to enter the new marketplace requires new products more suited to respond to the changes the new marketplaces and the new customers in them require.
- New technologies have brought new ingredients and new processes to allow food products that once were considered impossible to produce.
- Advances in the health sciences provide opportunities for new food products suited to the management of healthy lifestyles by consumers.

- Governments establish and change food legislation, establish health programs, adjust agricultural policies, or promote agricultural support programs, all of which provide opportunities for new food products.

Importance for developing a new product

- It is important the new product which is based on current market trends should be launched so that it can give greater benefit to the customer.
- It helps to understand what are the needs of their customers.
- It helps to increase the sales of their business in terms of maximizing the profits.
- Improved society.
- Continued existence of the company.
- New products should provide or offer new value to the existing or new customers.
- In order to sustain and overcome competitors.
- Improve value to acquire new customers.

References

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