Unit 22: Product and Service Development

Unit code	**J/508/0534**
Unit level	**5**
Credit value	**15**

Introduction

This unit explores the journey from ideas generation through to the launch of a new product or service. It examines the processes behind new product development (NPD) and it also considers the potential risks involved. Through the combination of theory and practice students will develop knowledge and understanding and be able to apply that knowledge within either an organisational or entrepreneurial context.

Almost every day we encounter new products and services through a variety of marketing promotions. But how do they get from a single idea to, in some cases, becoming a household item and brand? How did, for instance, the mobile phone, e-books, 24/7 banking services and fast food become part of our lives? Moreover, why do some products enjoy a long and profitable life span, whilst others disappear almost overnight? What are the secrets to success?

Learning Outcomes

By the end of this unit a student will be able to:

1. Explain and demonstrate processes involved in new product or service development.

2. Assess the life-cycle stage of the products or services in a company's portfolio and evaluate whether innovation, adaptation or renovation are needed for the individual products or services.

3. Design and pitch a new/renovated product or service.

4. Demonstrate an ability to critically reflect on the skills of team working, creative development and presentation.

Essential Content

LO1 Explain and demonstrate processes involved in new product or service development

The product/service concept:

Definition and meaning of both product and service concept, including tangible and intangible attributes.

The level of customer integration in product/service development and marketing.

The product–service system to support sustainable performance.

New product/service development:

Ideas generation, ideas screening/selection, creative methods, concept testing (marketing research) and business analysis.

Risks associated with new product/service development: competitor activity, customer behaviour, macro factorial and internal technical changes, levels of investment and change of strategic aims.

Minimising the risk of new product failure: compatibility, trialability, observability and complexity.

Minimising the risks in service management: intangibility, perishability, inseparability and variability.

The use of digital technology in researching, designing, testing and development of new products and services.

Software systems for New Product Development (NPD).

LO2 Assess the life-cycle stage of the products or services in a company's portfolio and evaluate whether innovation, adaptation or renovation are needed for the individual products or services

Products and services:

Five product levels: Core benefits, basic product, expected product, augmented product and potential product.

Market classifications of products and services within both B2C and B2B contexts.

Product life-cycle and services:

Different forms and operation of a product life-cycle.

Product life-cycle management: repositioning and revitalising the product.

Product line and service management choices:

Standardisation vs adaptation.

Macro factors and their influence/impact upon the development of new/adapted products and services.

Trends and the role of innovation.

LO3 **Design and pitch a new/renovated product or service**

New product development or service innovation:

Market testing.

Product launch (linking to marketing communications) and distribution.

Guidance on designing and pitching new/adapted products/services.

New or improved service launch, marketing communications and generating consumer interest.

LO4 **Demonstrate an ability to critically reflect on the skills of team working, creative development and presentation**

Cognitive skill development:

Theories of and approaches to reflective learning and development.

Team working skill development.

Creative product/service development and entrepreneurship.

Learning Outcomes and Assessment Criteria

Pass	Merit	Distinction
LO1 Explain and demonstrate processes involved in new product or service development		**LO1, LO2 and LO3**
P1 Explain the processes involved in the development of products and services and the levels of customer integration. **P2** Apply these processes in application to the development of a specific organisational product or service.	**M1** Consistently demonstrate a justified application of subject knowledge and understanding to the processes of product or service development.	**D1** Provide a well-articulated, coherent and logically presented pitch that has a fully justified approach to decision-making throughout the development process, market launch and distribution.
LO2 Assess the life-cycle stage of the products or services in a company's portfolio and evaluate whether innovation, adaptation or renovation are needed for the individual products or services.		
P3 Assess the life-cycle stage of the products or services in a company's portfolio. **P4** Evaluate which appropriate product line management choices are required for individual products or services.	**M2** Provide a coherent and justified evaluation that is supported by material synthesised from a range of validated sources.	
LO3 Design and pitch a new/renovated product or service		
P5 Design and pitch a product or service taking in to account market testing, product/service launch and distribution.	**M3** Design a creative, dynamic and detailed pitch that provides evidence of a well planned, developed and evaluated product or service.	

Pass	Merit	Distinction
LO4 Demonstrate an ability to critically reflect on the skills of team working, creative development and presentation		
P6 Complete a reflective statement that critically reflects on team working, creative development and presentation.	**M4** Address concerns and issues with recommendations for improvements.	**D2** Provide an insightful and independent reflection on teamwork and creative development, giving valid and justified recommendations.

Recommended Resources

Textbook

BRASSINGTON F. and PETTITT, S. (2012) *Essentials of Marketing.* 3rd Ed. Harlow: Pearson. Harlow.

COOPER, R.G. (2011) *Winning at New Products: Creating Value through Innovation.* 4th Ed. New York: Basic Books.

COOPER, R.G. (2001) *Winning at New Products: Accelerating the Process from Ideas to Launch.* 2nd Ed. Basic Books: New York.

COOPER, R.G. and EDGETT, S.J. (2009) *Generating Breakthrough New Product Ideas: Feeding the Innovation Funnel.* Ontario: Product Development Institute.

Links

This unit links to the following related units:

Unit 8: Innovation and Commercialisation

Unit 23: Integrated Marketing Communications

Unit 27: Identifying Entrepreneurial Opportunities

Unit 35: Developing Individuals, Teams and Organisations

Unit 38: Customer Value Management

Unit 42: Planning for Growth

Unit 44: Pitching and Negotiation Skills