

# Unit 52: Product and Service Development

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| <b>Unit code</b>    | <b>R/618/5135</b> |
| <b>Unit level</b>   | <b>5</b>          |
| <b>Credit value</b> | <b>15</b>         |

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## Introduction

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 the mobile phone, e-books, 24/7 banking services and fast food become part of our lives? Why do some products enjoy a long and profitable lifespan, whilst others disappear almost overnight? What are the secrets to success?

This unit explores the journey from ideas generation through to the launch of a new product or service. Students will examine the processes behind new product development (NPD) and consider the potential risks involved. Through the combination of theory and practice, students will develop knowledge and understanding and be able to apply it in either an organisational or entrepreneurial context. They will be given the opportunity to design and pitch their new or renovated product or service of their choice and evaluate their performance.

On completion of the unit, students will have developed confidence and competency in pitching and presenting an idea, teamworking and creative thinking skills. These are all vital skills, required in a dynamic and forever changing work environment.

## **Learning Outcomes**

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

- LO1 Examine the processes involved in new product or service development
- LO2 Assess the lifecycle 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
- LO3 Pitch the design for a new or renovated product or service
- LO4 Critically reflect on the skills of teamworking, creative development and presentation.

## Essential Content

### LO1 Examine the 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 conducting 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 to accelerate product development, e.g. Artificial Intelligence (AI), Internet of Things, cloud computing in researching, designing, testing and development of new products and services.

Software systems for New Product Development (NPD).

### LO2 Assess the lifecycle 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 in both B2C and B2B contexts.

#### *Product lifecycle and services:*

Different forms and operation of a product lifecycle.

Product lifecycle management: repositioning and revitalising the product.

*Product line and service management choices:*

Standardisation vs adaptation.

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

Trends and the role of innovation.

### **LO3 Pitch the design for a new or renovated product or service**

*New product development or service innovation:*

The design process and the different stages, including market testing and feasibility study, preliminary design and pilot testing.

The value of a reiterative process.

Product launch and 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.

*Pitching skills and techniques:*

Audience awareness, research and sensitivity.

Competitor research.

Business and product narratives.

Structure and time.

Verbal and non-verbal communication to meet audience requirements.

Presentation, behaviour and conduct of presenter, e.g. attire, attitude, business-like skills, suitability for audience, preparation and organisation.

### **LO4 Critically reflect on the skills of teamworking, creative development and presentation.**

*Cognitive skill development:*

Theories of and approaches to reflective learning and development.

Teamworking skill development.

Creative product/service development and entrepreneurship.

## Learning Outcomes and Assessment Criteria

| Pass                                                                                                                                                                                                                           | Merit                                                                                                                                                            | Distinction                                                                                                                                                                                                                        |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>LO1</b> Examine the processes involved in new product or service development                                                                                                                                                |                                                                                                                                                                  | <b>LO1, LO2 and LO3</b><br><b>D1</b> 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. |
| <b>P1</b> Explore the processes involved in the development of products and services, and the levels of customer integration.<br><b>P2</b> Apply these processes to the development of a specific business product or service. | <b>M1</b> Evaluate the risks involved in processes of product or service development, when applied to the development of a specific business product or service. |                                                                                                                                                                                                                                    |
| <b>LO2</b> Assess the lifecycle 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                        |                                                                                                                                                                  |                                                                                                                                                                                                                                    |
| <b>P3</b> Assess the lifecycle stage of the products or services in a company's portfolio.<br><b>P4</b> Evaluate which appropriate product line management choices are required for individual products or services.           | <b>M2</b> Provide a coherent, justified evaluation that is supported by material synthesised from a range of validated sources.                                  |                                                                                                                                                                                                                                    |
| <b>LO3</b> Pitch the design for a new or renovated product or service                                                                                                                                                          |                                                                                                                                                                  |                                                                                                                                                                                                                                    |
| <b>P5</b> Pitch the design of a product or service, taking into account market testing, product/service launch and distribution.                                                                                               | <b>M3</b> Deliver a creative, dynamic and detailed pitch that provides evidence of a well-planned, developed and evaluated product or service.                   |                                                                                                                                                                                                                                    |

| Pass                                                                                                                      | Merit                                                                         | Distinction                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|
| <b>LO4</b> Critically reflect on the skills of teamworking, creative development and presentation.                        |                                                                               |                                                                                                                         |
| <b>P6</b> Complete a reflective statement that critically reflects on teamworking, creative development and presentation. | <b>M4</b> Address concerns and issues, with recommendations for improvements. | <b>D2</b> Provide an insightful and independent reflection giving valid and justified recommendations for improvements. |

## Recommended Resources

### Textbooks

BLAND, D. and OSTEWALDER, A. (2019). *Testing Business Ideas: A Field Guide for Rapid Experimentation*. Hoboken: Wiley & Sons.

BLYTHE, J. and MARTIN, J. (2019) *Essentials of Marketing*. 7th Ed. Harlow: Pearson.

COOPER, R.G. (2017) *Winning at New Products: Creating Value through Innovation*. 6th Ed. New York: Basic Books.

PRADEEP, A. et al. (2019) *AI for Marketing and Product Innovation: Powerful New Tools for Predicting Trends, Connecting with Customers, and Closing Sales*. Hoboken: Wiley & Sons.

### Websites

[www.marketinginsider.eu](http://www.marketinginsider.eu)

Marketing-Insider

New product development process  
(Article)

[www.smartsheet.com](http://www.smartsheet.com)

Smart Sheet

All about new product development  
(General reference)

### Links

This unit links to the following related units:

*Unit 8: Innovation and Commercialisation*

*Unit 27: Identifying Entrepreneurial Opportunities*

*Unit28: Launching a New Venture*