

Objectives:

- To differentiate between a product item and product line
- To classify products as consumer goods or business goods
- To explain the seven steps in developing a new product
- To identify the stages in a product's life cycle



Terms:

Product item – **specific model or size of a product**

Consumer goods – **goods purchased and used by the ultimate consumer for personal use**

Business goods – **goods purchased by organizations for use in their operations**

Point of difference – **a unique product characteristic or benefit that sets it apart from a competitor**

Focus group – **a panel of 6 to 10 consumers who discuss opinions about a topic under the guidance of a moderator**

Commercialization – **process that involves producing and marketing a new product**

Repositioning – **changing a product's image in relation to a competitor's image**

Questions:

1. What are the 7 steps in New Product Development?

1. **SWOT (strengths, weaknesses, opportunities and threats) analysis**
2. **Idea generation**
3. **Screening and evaluation**
4. **Business analysis**
5. **Development**
6. **Test marketing**
7. **Commercialization**

2. What are the 4 stages in the product life cycle?

Introduction Growth Maturity Decline

3. What 3 things can be done to manage a product through its life cycle?

Modify the product, market the product and reposition the product