

NEW PRODUCT LAUNCHING IDEAS

E.KIRUTHIKA, M.Com., M.Phil., P.G.D.C.A., NET.,

Assistant Professor, Department of Commerce (CA), Sri Kaliswari College, Sivakasi, Tamilnadu, India 626 130
Email: yogeshs_06@yahoo.co.in

ABSTRACT

Launching a new product can be a tense time for a small or large business. There are those moments when you wonder if all of the work done to develop the product will pay off in revenue, but there are many things you can do to help increase the likelihood of a successful product launch. An open-minded consumer-oriented approach is imperative in today's diverse global marketplace so a firm can identify and serve its target market, minimize dissatisfaction, and stay ahead of competitors. Final consumers purchase for personal, family, or household use. Finally, the kind of information that the marketing team needs to provide customers in different buying situations. In high-involvement decisions, the marketer needs to provide a good deal of information about the positive consequences of buying. The sales force may need to stress the important attributes of the product, the advantages compared with the competition; and maybe even encourage "trial" or "sampling" of the product in the hope of securing the sale. The final stage is the post-purchase evaluation of the decision. It is common for customers to experience concerns after making a purchase decision. This arises from a concept that is known as "cognitive dissonance".

Keywords: Launching, consumer-oriented, competition, post-purchase evaluation

1. INTRODUCTION

Launching a new product can be a tense time for a small or large business. There are those moments when you wonder if all of the work done to develop the product will pay off in revenue, but there are many things you can do to help increase the likelihood of a successful product launch. The central focus of marketing is the consumer. To devise good marketing plans, it is necessary to examine consumer behavioral attributes and needs, lifestyles, and purchase processes and then make proper marketing-mix decisions. The study of Consumer behavior includes the study of what they buy, why they buy, how they buy, when they buy, from where they buy, and how often they buy. An open-minded consumer-oriented approach is imperative in today's diverse global marketplace so a firm can identify and serve its target market, minimize dissatisfaction, and stay ahead of competitors. Final consumers purchase for personal, family, or household use. A new product that is

Developed and marketed in response to a need will have a much better chance of success than a product that is developed to address a perceived need. Create focus groups made up of a cross-section of your target audience, and get their opinions about the products you have in development. Understanding why they would make certain changes can help with future revisions of

the product, and it can also help to create more effective marketing.

2. OBJECTIVES

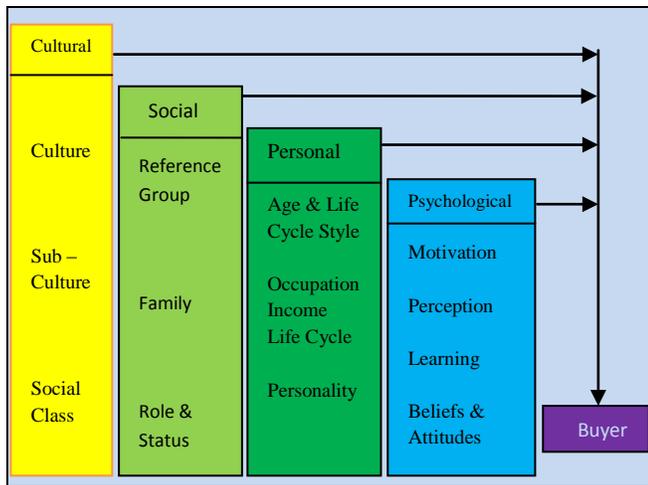
- ♥ How to attract the audience,
- ♥ What are the factors affected to the consumer behavior,
- ♥ Analysis the business market
- ♥ How to maintain the existing customer
- ♥ Determine the brand loyalty
- ♥ Product development
- ♥ Competitor analysis

3. TARGET AUDIENCE

Launching new product doesn't easy one, because must be thoroughly study about the market position, buyer behavior, buyer demand, existing buyer details, new buyer attraction, market competition, research market situation, suppliers details, retailer position, control the market segmentation, marketing mix, etc. New product launching firstly understand the audience current time demand & market winner up details, that details are helpful to the company for won the product launching. The best way to gauge the needs of your target audience is to ask them. A new product that is developed and marketed in response to a need will have a much better chance of success than a product that

is developed to address a perceived need. Create focus groups made up of a cross-section of your target audience, and get their opinions about the products you have in development. Understanding why they would make certain changes can help with future revisions of the product, and it can also help to create more effective marketing.

BENEFITS



Major Factors affecting consumer buying behavior (Figure 1)

A novelty product will normally have a limited appeal and a limited shelf life, but if you can display the benefits that your product has for the user, this can help to increase demand for the product. Be sure to emphasize the benefits of your new product in your marketing efforts, and try to focus your advertising on the problem-solving aspect of your product to help people better identify with a need for that product.

4. MAJOR FACTORS AFFECTING CONSUMER BUYING BEHAVIOR:

4.1. Cultural factors affecting consumer buying behavior:

Cultural factors have a significant impact on customer behavior. Culture is the most basic cause of a person’s wants and behavior. Growing up, children learn basic values, perception and wants from the family and other important groups. Marketers are always trying to spot “cultural shifts” which might point to new products that might be wanted by customers or to increased demand.

4.2. Social factors affecting consumer buying behavior:

A customer’s buying behavior is also influenced by social factors, such as the groups to which the customer belongs and social status. Each culture contains “sub-cultures” – groups of people with share values. Sub-cultures can include nationalities, religions, racial groups, or groups of people sharing the same geographical location. Sometimes a sub-culture will create a substantial and distinctive market segment of its own. For example, the “youth culture” or “club culture” has quite distinct values and buying characteristics from the much older “gray generation”. Similarly, differences in social class can create customer groups. In fact, the official six social classes in the UK are widely used to profile and predict different customer behavior. In the UK’s socioeconomic classification scheme, social class is not just determined by income. It is measured as a combination of occupation, income, education, wealth and other variables

5. Buyer behavior - the decision-making process, how do customers buy?

Research suggests that customers go through a five-stage decision-making process in any purchase. This is summarized in the diagram below:

This model is important for anyone making marketing decisions. It forces the marketer to consider the whole buying process rather than just the purchase decision (when it may be too late for a business to influence the choice!). It implies that customers pass through all stages in every purchase. However, in more routine purchases, customers often skip or reverse some of the stages. For example, a student buying a favorite hamburger would recognize the need (hunger) and go right to the purchase decision, skipping information search and evaluation. However, the model is very useful when it comes to understanding any purchase that requires some thought and deliberation. The buying process starts with need recognition. At this stage, the buyer recognizes a problem or need (e.g. I am hungry, we need a new sofa, I have a headache) or responds to a marketing stimulus (e.g. you pass Starbucks and are attracted by the aroma of coffee and chocolate muffins). An “aroused” customer then needs to decide how much

information (if any) is required. If the need is strong and there is a product or service that meets the need close to hand, then a purchase decision is likely to be made there and then. If not, then the process of information search begins.



Figure -2 – Decision making process

A customer can obtain information from **several sources**:

- ✓ Personal sources: family, friends, neighbors etc
- ✓ Commercial sources: advertising; salespeople; retailers; dealers; packaging; point-of-sale displays
- ✓ Public sources: newspapers, radio, television, consumer organizations; specialist magazines
- ✓ Experiential sources: handling, examining, using the product.

The usefulness and influence of these sources of information will vary by product and by customer. Research suggests that customer's value and respect personal sources more than commercial sources (the influence of "word of mouth"). The challenge for the marketing team is to identify which information sources are most influential in their target markets.

In the evaluation stage, the customer must choose between the alternative brands, products and services. An important determinant of the extent of evaluation is whether the customer feels "**involved**" in the product. By involvement, we mean the degree of perceived relevance and personal importance that accompanies the choice.

Where a purchase is "**highly involving**", the customer is likely to carry out extensive evaluation.

High-involvement purchases include those involving high expenditure or personal risk – for example buying a house, a car or making investments.

Low involvement purchases (e.g. buying a soft drink, choosing some breakfast cereals in the supermarket) have very simple evaluation processes.

6. ANALYZING BUSINESS MARKETS AND BUSINESS BUYING BEHAVIOR

A market consists of two parts consumer market and business market.

Companies manufacture products for consumer market but business market is equally large and strong. Typical business markets consist of manufacturing plants, machinery, industrial equipments, etc. Companies need to study and analyze factors affecting business markets and business buying behavior. In a business market, organizations buy goods and services for production of goods and services. In terms of overall value business market is bigger than the consumer market. There are many characteristic which set business market apart from consumer markets. Business buyer base is smaller in comparison to consumer market.

Consumer-supplier relationship is much stronger in a business market owing to few players in the field. Customer and supplier are very dependent on each for survival. For example, if car companies falter then tire companies will suffer. So companies not only have to monitor business market but also pay attention to end consumer market. Buying for the business is a responsibility of purchase department which adheres to company rules and regulations. The buying decision is influenced by many players ranging from technical experts to the finance department in these departments. In business market there is no distribution channel, thereby reducing overhead cost.

From the above discussion it is clear that the business market functions differently from consumer markets. Buying decision especially is more complex owing to many players. If buying decision is a re-purchase than purchasing department would place the order with an old supplier. Companies keep a list of approved vendors from which they choose as per purchase requirement. If buying decision is a modification from previous order in terms of

specifications, amount, price, etc. than companies' looks to have a discussion with suppliers. Purchase department may look to other suppliers for a modification order. If the buying decision is a new product or service than a lengthy process is followed with discussion and meeting between representatives from various departments.

7. BRAND NAME AND BRAND LOYALTY

A brand name identifies the source of a product and differentiates the product from its competitors, and brand names do affect product demand (Sullivan, 1998). Brand awareness makes it easier for consumers to identify products. A brand's reputation for quality gives consumers important information about that product. A brand can possess an appealing image that many consumers cherish

8. DRIVING GROWTH THROUGH DEEPER RELATIONSHIPS WITH EXISTING CUSTOMERS

Driving growth through existing customers should be an imperative for any business. Loyal customers spend more, more often, and can be your organization's most powerful advocates. However, not all customers are created equal when it comes to their capacity for increasing spends with you or acting as agents of growth for your business. We have more conversations with the world's consumers than anybody else – and a unique understanding of what makes them tick. We can identify the customers that have most value – and most potential value – for your business, and show you precise strategies for leveraging them to unlock new growth opportunities.

9. INCREASING PENETRATION BY ATTRACTING THE MOST PROFITABLE NEW CUSTOMERS

Attracting new customers and taking market share from the competition is an obvious growth opportunity. However, the question of which consumers to target, and how to target them, is a complex business. Consumer behavior and brand choice can be habitual or highly considered, rational or emotive. A precise understanding of how people approach decisions in your category is vital to winning new customers profitably. TNS develops solutions to deliver just such an understanding, with precision growth strategies that
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identify the most valuable opportunities, and the most effective approaches to them.

10. PRODUCT DEVELOPMENT AND INNOVATION

This program combines business know-how with technical flair. You learn about the technical processes involved in turning new ideas into new products. New products and services are the lifeblood of successful businesses – and yet over 80 per cent of new products fail. Even successful launches do not always result in top-line growth.

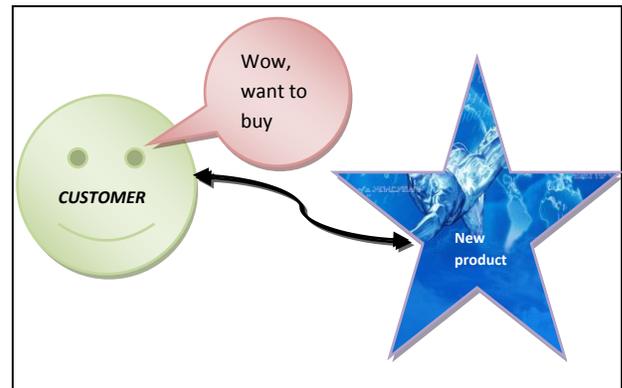


Figure 3 -To create the idea to buy the product

A new product pricing process is important to reduce risk and increase confidence in the pricing and marketing decisions to be made. Bernstein and Macias describe an integrated process that breaks down the complex task of new product pricing into manageable elements.

The Path to Developing Successful New Products points out three key processes that can play critical role in product development: Talk to the customer; Nurture a project culture; Keep it focused.

Koen et al. (2001, pp. 47–51) distinguish five different front-end elements (not necessarily in a particular order):

- Opportunity Identification
- Opportunity Analysis
- Idea Genesis
- Idea Selection
- Concept and Technology Development

The first element is the opportunity identification. In this element, large or incremental business and technological chances are identified in a

more or less structured way. Using the guidelines established here, resources will eventually be allocated to new projects.... which then lead to a structured NPPD (New Product & Process Development) strategy.

The second element is the opportunity analysis. It is done to translate the identified opportunities into implications for the business and technology specific context of the company. Here extensive efforts may be made to align ideas to target customer groups and do market studies and/or technical trials and research.

The third element is the idea genesis, which is described as evolutionary and iterative process progressing from birth to maturation of the opportunity into a tangible idea. The process of the idea genesis can be made internally or come from outside inputs, e.g. a supplier offering a new material/technology or from a customer with an unusual request.

The fourth element is the idea selection. Its purpose is to choose whether to pursue an idea by analyzing its potential business value.

The fifth element is the concept and technology development. During this part of the front-end, the business case is developed based on estimates of the total available market, customer needs, investment requirements, and competition analysis and project uncertainty. Some organizations consider this to be the first stage of the NPPD process (i.e., Stage 0).

It is worth mentioning what incremental, platform and breakthrough products are.

Incremental products are considered to be cost reductions, improvements to existing product lines, additions to existing platforms and repositioning of existing products introduced in markets. Breakthrough products are new to the company or new to the world and offer a 5-10 times or greater improvement in performance combined with a 30-50% or greater reduction in costs. Platform products establish a basic architecture for a next generation product or process and are substantially larger in scope and resources than incremental projects

Innovation and Product Development (IPD) services cover the end-to-end spectrum of the product and service life cycle, from discovery and execution to the commercialization and termination. Our suite of offerings is organized around the end-to-end Accenture

IPD process model, supported by proven performance diagnostics and a compelling business case. Our services are flexible and adapt to our client's needs. We can support our clients in three ways:

IPD Management Consulting, to improve innovation and product development capabilities where it matters most. Focus areas include fast innovation, frugal engineering, produce life cycle management, R&D efficiency and more. IPD Managed Services to better execute parts of our client's IPD work at lower cost. Focus areas include engineering services, IPD analytics, and content management and embedded software development.

Co-Innovation to help clients and their value chains create, build and operate new in Product and engineering, new product development (NPD) is the complete process of bringing a new product to market. A product is a set of benefits offered for exchange and can be tangible (that is, something physical you can touch) or intangible (like a service, experience, or belief). There are two parallel paths involved in the NPD process: one involves the idea generation, product design and detail engineering; the other involves market research and marketing analysis. Companies typically see new product development as the first stage in generating and commercializing new product within the overall strategic process of product life cycle management used to maintain or grow their market share.

10.1. THE PROCESS OF THE PRODUCT DEVELOPMENT STEPS 1-8

The process of product developments first three steps very useful and innovative and other steps are followed the first one to help the development of new product in the market.

1. Idea Generation is often called the "front end" of the NPD process

The first step of new product development requires gathering ideas to be evaluated as potential product options. For many companies idea generation is an ongoing process with contributions from inside and outside the organization. Many market research techniques are used to encourage ideas including:

running focus groups with consumers, channel members, and the company's sales force; encouraging customer comments and suggestions via toll-free telephone numbers and website forms; and gaining insight on competitive product developments through secondary data sources. One important research technique used to generate ideas is brainstorming where open-minded, creative thinkers from inside and outside the company gather and share ideas. The dynamic nature of group members floating ideas, where one idea often sparks another idea, can yield a wide range of possible products that can be further pursued.

- Ideas for new products can be obtained from basic research using a SWOT analysis (Strengths, Weaknesses, and Opportunities & Threats). Market and consumer trends, company's R&D department, competitors, focus groups, employees, salespeople, corporate spies, trade shows, or ethnographic discovery methods (searching for user patterns and habits) may also be used to get an insight into new product lines or product features.
- Lots of ideas are being generated about the new product. Out of these ideas many ideas are being implemented. The ideas use to generate in many forms and their generating places are also various. Many reasons are responsible for generation of an idea.
- Idea Generation or Brainstorming of new product, service, or store concepts - idea generation techniques can begin when you have done your OPPORTUNITY ANALYSIS to support your ideas in the **Idea Screening Phase**

1. Idea Screening

In Step 2 the ideas generated in Step 1 are critically evaluated by company personnel to isolate the most attractive options. Depending on the number of ideas, screening may be done in rounds with the first round involving company executives judging the feasibility of ideas while successive rounds may utilize more advanced research techniques. As the ideas are whittled down to a few attractive options, rough estimates are made of an idea's potential in terms of sales, production costs, profit potential, and competitors' response if the product is introduced. Acceptable ideas move on to the next step.

- The object is to eliminate unsound concepts prior to devoting resources to them.
- The screeners should ask several questions:
- Will the customer in the target market benefit from the product?
- What is the size and growth forecasts of the market segment / target market?
- What is the current or expected competitive pressure for the product idea?
- What are the industry sales and market trends the product idea is based on?
- Is it technically feasible to manufacture the product?
- Will the product be profitable when manufactured and delivered to the customer at the target price?

2. Concept Development and Testing

With a few ideas in hand the marketer now attempts to obtain initial feedback from customers, distributors and its own employees. Generally, focus groups are convened where the ideas are presented to a group, often in the form of concept board presentations (i.e., storyboards) and not in actual working form. For instance, customers may be shown a concept board displaying drawings of a product idea or even an advertisement featuring the product. In some cases focus groups are exposed to a mock-up of the ideas, which is a physical but generally non-functional version of product idea. During focus groups with customers the marketer seeks information that may include: likes and dislike of the concept; level of interest in purchasing the product; frequency of purchase (used to help forecast demand); and price points to determine how much customers are willing to spend to acquire the product.

- ✓ Develop the marketing and engineering details
- ✓ Investigate intellectual property issues and search patent databases
- ✓ Who is the target market and who is the decision maker in the purchasing process?
- ✓ What product features must the product incorporate?
- ✓ What benefits will the product provide?
- ✓ How will consumers react to the product?
- ✓ How will the product be produced most cost effectively?

- ✓ Prove feasibility through virtual computer aided rendering and rapid prototyping
- ✓ What will it cost to produce it?
- ✓ Testing the Concept by asking a number of prospective customers what they think of the idea - usually via Choice Modeling.

3. Business Analysis

- Estimate likely selling price based upon competition and customer feedback
- Estimate sales volume based upon size of market and such tools as the Four-Woodlock equation
- Estimate profitability and break-even point

4. Beta Testing and Market Testing

- Produce a physical prototype or mock-up
- Test the product (and its packaging) in typical usage situations
- Conduct focus group customer interviews or introduce at trade show
- Make adjustments where necessary
- Produce an initial run of the product and sell it in a test market area to determine customer acceptance

5. Technical Implementation

- New program initiation
- Finalize Quality management system
- Resource estimation
- Requirement publication
- Publish technical communications such as data sheets
- Engineering operations planning
- Department scheduling
- Supplier collaboration
- Logistics plan
- Resource plan publication
- Program review and monitoring
- Contingencies - what-if planning

6. Commercialization (often considered post-NPD)

- Launch the product
- Produce and place advertisements and other promotions
- Fill the distribution pipeline with product
- Critical path analysis is most useful at this stage

7. New Product Pricing

- ❖ Impact of new product on the entire product portfolio
- ❖ Value Analysis (internal & external)
- ❖ Competition and alternative competitive technologies
- ❖ Differing value segments (price, value and need)
- ❖ Product Costs (fixed & variable)
- ❖ Forecast of unit volumes, revenue, and profit

11. PORTER'S FIVE FORCES – COMPETITOR ANALYSIS

11.1. Michael Porter's Five Forces

Michael Porter's five forces is a model used to explore the environment in which a product or company operates to generate competitive advantage.

Five forces analysis looks at five key areas mainly the threat of entry, the power of buyers, the power of suppliers, the threat of substitutes, and competitive rivalry & advantage.

	New Entrants	
Suppliers	Industry competitors and extent of rivalry & advantage	Buyers
	Substitutes	

Figure 4 – Five forces

Introduction to Porter's 5 forces

The model of the Five Competitive Forces was developed by Michael E. Porter in his book "Competitive Strategy: Techniques for Analyzing Industries and Competitors" in 1980. Since that time the 'five forces tool' has become an important method for analyzing an organizations industry structure in strategic processes.

Michael Porter's model is based on the insight that a corporate strategy should meet the opportunities and threats in the organizations external environment. Especially, competitive strategy should base on an understanding of industry structures and the way they change.

Porter has identified five competitive forces that shape every industry and every market. These forces determine the intensity of competition and hence the profitability and attractiveness of an industry. The objective of corporate strategy should be to modify these competitive forces in a way that improves the position of the organization. Porter's model supports analysis of the driving forces in an industry. Based on the information derived from the Five Forces Analysis, management can decide how to influence or to exploit particular characteristics of their industry.

The Original Five Factors for competitor advantage and competitive advantage:

Factor 1: Threat of New Entrants -

The easier it is for new companies to enter the industry, the more cut-throat competition there will be. Factors that can limit the threat of new entrants are known as barriers to entry. Some examples include:

- Existing loyalty to major brands
- Incentives for using a particular buyer (such as frequent shopper programs)
- High fixed costs
- Scarcity of resources
- Government restrictions or legislation
- Entry protection (patents, rights, etc.)
- Economies of product differences
- Brand equity
- Switching costs or sunk costs
- Capital requirements

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- Access to distribution
- Absolute cost advantages
- Learning curve advantages
- Expected retaliation by incumbents

Factor 2: Power of Suppliers

This is how much pressure suppliers can place on a business. If one supplier has a large enough impact to affect a company's margins and volumes, then they hold substantial power. Here are a few reasons that suppliers might have power:

- There are very few suppliers of a particular product
- There are no substitutes
- The product is extremely important to the buyer, they cannot do without it
- The supplying industry has a higher profitability than the buying industry
- Supplier switching costs relative to firm switching costs
- Degree of differentiation of inputs
- Presence of substitute inputs
- Supplier concentration to firm concentration ratio
- Threat of forward integration by suppliers relative to the threat of backward integration by firms
- Cost of inputs relative to selling price of the product

Factor 3: Power of Buyers/ Customers

This is how much pressure customers can place on a business. If one customer has a large enough impact to affect a company's margins and volumes, then they hold substantial power. Here are a few reasons that customers might have power

- ❖ Small number of buyers
- ❖ Purchases of large volumes
- ❖ Switching to another (competitive) product is simple
- ❖ The product is not extremely important to the buyer; they can do without it for a period of time.
- ❖ Customers are price sensitive
- ❖ Buyer concentration to firm concentration ratio

- ❖ Bargaining leverage
- ❖ Buyer volume
- ❖ Buyer switching costs relative to firm switching costs
- ❖ Buyer information availability
- ❖ Ability to backward integrate
- ❖ Availability of existing substitute products
- ❖ Buyer price sensitivity
- ❖ Price of total purchase

Factor 4: Availability of Substitutes

What is the likelihood that someone will switch to a competitive product or service? If the cost of switching is low, then this poses to be a serious threat. Here are a few factors that can affect the threat of substitutes:

- ✓ Buyer propensity to substitute
- ✓ Relative price performance of substitutes
- ✓ Buyer switching costs
- ✓ Perceived level of product differentiation
- ✓ Fad and fashion
- ✓ Technology change and product innovation
- ✓ The main issue is the similarity of substitutes. For example, if the price of coffee rises substantially, a coffee drinker is likely to switch over to a beverage like tea because the products are so similar.
- ✓ If substitutes are similar, then it can be viewed in the same light as a new entrant.
- ✓ Consider technology substitutes (who would have thought that MP3 technology would replace tape & CD's?)

Factor 5: Competitive Rivalry

And last but not least, this describes the intensity of competition between existing firms in an industry. Highly competitive industries generally earn low returns because the cost of competition is high. A highly competitive market might result from:

- Many players of about the same size, no dominant firm.
- Little differentiation between competitor's products and services.
- A mature industry with very little growth.
- Companies can only grow by stealing customers away from competitors.

- For many industries, this is the major determinant of the competitiveness of the industry. Sometimes rivals compete aggressively and sometimes rivals compete in non-price dimensions such as innovation, marketing, etc.
- Number of competitors
- Rate of industry growth
- Intermittent industry overcapacity
- Exit barriers
- Diversity of competitors
- Informational complexity and asymmetry
- Fixed cost allocation per value added
- Level of advertising expense

11.2. USE OF THE INFORMATION FROM FIVE FORCES ANALYSIS:

Five Forces Analysis can provide valuable information for three aspects of corporate planning:

Statistical Analysis: The Five Forces Analysis allows determining the attractiveness of an industry. It provides insights on profitability. Thus, it supports decisions about entry to or exit from an industry or a market segment. Moreover, the model can be used to compare the impact of competitive forces on the own organization with their impact on competitors. Competitors may have different options to react to changes in competitive forces from their different resources and competence's. This may influence the structure of the whole industry.

Dynamical Analysis: In combination with a PESTLE Analysis, which reveals drivers for change in an industry, Five Forces Analysis can reveal insights about the potential future attractiveness of the industry. Expected Political, Economical, Sociodemographical, Technological, Legal and Environmental changes can influence the five competitive forces and thus have impact on industry structures. Useful tools to determine potential changes of competitive forces are scenarios.

Analysis of Options: With the knowledge about intensity and power of competitive forces, organizations can develop options to influence them in a way that improves their own competitive position. The result could be a new strategic direction, e.g. a new positioning, differentiation for competitive products or strategic partnerships (see section 4).

Porter's model of Five Competitive Forces allows a structured and systematic analysis of market structure and competitive situation. The model can be applied to particular companies, market segments, industries or regions. Therefore, it is necessary to determine the scope of the market to be analyzed in a first step. Following, all relevant forces for this market are identified and analyzed. Hence, it is not necessary to analyze all elements of all competitive forces with the same depth.

The Five Forces Model is based on microeconomics. It takes into account supply and demand, complementary products and substitutes, the relationship between volume of production and cost of production, and market structures like monopoly, oligopoly or perfect competition.

Influencing the Power of Five Forces after the analysis of current and potential future state of the five competitive forces, managers can search for options to influence these forces in their organization's interest. Although industry-specific business models will limit options, the own strategy can change the impact of competitive forces on the organization. The objective is to reduce the power of competitive forces.

11.3. GENERIC STRATEGIES TO HELP COUNTER THE FIVE FORCES STRATEGY CAN BE FORMULATED ON THREE LEVELS:

- Corporate level
- Business unit level
- Functional or departmental level.

The business unit level is the primary context of industry rivalry. Michael Porter identified three generic strategies (cost leadership, differentiation, and focus) that can be implemented at the business unit level to create a competitive advantage. The proper generic strategy will position the firm to leverage its strengths and defend against the adverse effects of the five forces.

Assumptions made about the Five Forces model:

- That buyers, competitors, and suppliers are unrelated and do not interact and collude
- That the source of value is structural advantage (creating barriers to entry)

- That uncertainty is low, allowing participants in a market to plan for and respond to competitive behavior.
- Analyze the business idea

In this first stage of your feasibility study you need to look objectively at the idea and determine its profitability. This objective analysis would include:

- ❖ assessing the market size;
- ❖ assessing the competitive advantage of your idea;
- ❖ obtaining independent endorsement of the idea;
- ❖ assessing capital requirements;
- ❖ considering your management ability and
- ❖ Finding out if anyone else has tried your business idea, and if they failed - why?

12. MARKET ANALYSIS

Once you have determined there is a market for the product or service you are planning to supply, you need to conduct some more research which should include the following:

Demand analysis: here you determine the type of demand that exists for your product or service (eg: consumer, distributor), and establish the size of the market and its growth capacity.

Supply analysis: look at the lifecycle of the industry. Is it the right time for you to be entering it? Also study the way the industry is structured and think about how that will affect your business.

Relationship analysis: how do the various groups within the industry interact? What is the bargaining power of buyers and suppliers? Is there a threat of substitute products or new entrants?

13. COMPETITIVE ADVANTAGE ANALYSIS

Now that you've established that your idea is a good one and that there is a market for what you are offering, you need to determine what makes your product or service special. Ask yourself these questions:

- How is my product or service different to those offered by my competitors?
- Why will customers purchase the product or service from me rather than my competitors?

- Are there any barriers to me entering the market?
- What makes my competitors successful?
- Financial feasibility analysis

The final part of your study should address the financial feasibility of the business idea which involves the following:

- preparing a sales forecast;
- estimating start-up and working capital requirements;
- estimating profitability; and assessing financial viability

FINDINGS:

Each and every customer ready to buy the new product on the basis of its quality, price, attraction of packing, comparison of other product, match their demand. They are not ready to buy in other's stress. Thoroughly verifying the product (its sample /trial) afterwards they are ready to buy and enjoy their benefits.

CONCLUSION:

Finally, the kind of information that the marketing team needs to provide customers in different buying situations. In high-involvement decisions, the marketer needs to provide a good deal of information about the positive consequences of buying. The sales force may need to stress the important attributes of the product, the advantages compared with the competition; and maybe even encourage "trial" or "sampling" of the product in the hope of securing the sale. The final stage is the post-purchase evaluation of the decision. It is common for customers to experience concerns after making a purchase decision. This arises from a concept that is known as "cognitive dissonance". The customer, having bought a product, may feel that an alternative would have been preferable. In these circumstances that customer will not repurchase immediately, but is likely to switch brands next time. To manage the post-purchase stage, it is the job of the marketing team to persuade the potential customer that the product will satisfy his or her needs. Then after having made a purchase, the customer should be encouraged that he or she has made the right decision.

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