International Journal of Trend in Scientific Research and Development (IJTSRD)
Volume 4 Issue 6, September-October 2020 Available Online: www.ijtsrd.com e-ISSN: 2456 – 6470

A New Product Introduction in to the Market Features

Margarita Išoraitė

Vilniaus kolegija/University Applied Science, Vilnius, Lithuania

ABSTRACT

The article analyzes the peculiarities of introducing a new product to the market. The concept of a new product, the environments for the introduction of a new product to the market are examined: both external and internal environments, SWOT analysis is performed. When introducing a new product to the market, it is important to analyze the trends in the introduction of new products to the market. It is important to analyze the product very well because a good idea is just the beginning. When introducing a new product to the market, it is important to understand the advantages of the offered product in the context of competition. In order to lead the market, companies must offer new products to the market - innovations. Innovation is an essential condition for becoming a leading company. The most successful new products are those that offer a better solution and clearly communicate to the consumer who they are.

KEYWORDS: *new product, micro environment, PEST, SWOT*

How to cite this paper: Margarita Išoraite "A New Product Introduction in to the Market Features" Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-4 | Issue-6, October 2020, pp.1184-1188, URL: www.ijtsrd.com/papers/ijtsrd33590.pdf

IJTSRD33590

INTRODUCTION

What is a new product? What is innovation? This issue is important for every business. A new product can be a modification of an existing product, i. y. an improved existing product and a completely new product on the market. For some market participants, a new product may be a complete technological innovation in a new market, such as television and radio in its time. For other market participants, a new product may simply be an existing product that has been improved in some way, such as a new washing powder or a new type of coffee. Marketing defines a new product as a complex of tangible and intangible properties. If any of these properties change, it can be said that a new product has emerged. In the international market, old products become new again when they are offered to the consumer in less developed countries.

1. New product concept

In the modern world, new goods are born every day. New products are being developed in local, national and global markets. The novelty of a product can be understood differently. To determine the novelty of a product, the following questions need to be answered: whom is it new?; until when is it new ?; how new is it?

Whom is new to this? This extension covers two aspects: the consumer and the producer. The consumer and the producer are two different representatives, so what may seem new to one may be known to the other for a long time. In this case, it is important to focus on the target consumer to whom the product will be addressed. If a consumer first encounters a new product in that segment, that product will be new to him. Another problem would be if the product is already known to a certain target consumer, but another company decides to improve the product and present it to the consumer. Such a product will then be new to the consumer.

Until when is this new? This question is more difficult to answer. Even if a newly created product has no analogues on the market, it does not mean that it will remain new all the time. It is therefore necessary to determine the period during which the product will be considered as new.

How new is it? A new product can be a conceptually new product or an improved existing product. If the target consumers for whom a new product is intended recognize it as new, it can be said that the product is completely new. If the target consumers for whom a new product is intended see it as an improvement only on an existing product, it can be said that we only have a partially new product.

Table 1 present different definition of new product. Žvirblis, A. (2000) state that new product is a kind of innovative process that forces the introduction of original goods into the market. Pranulis, V., Pajuodis, A., Urbonavičius, S., Virvilaitė, R. (2008) define a new product as a brand new or original product, an improved or modified product. Bhuiyan, N. (2011) state that new product appears on the market a sequence of steps, starting with the initial product idea or idea that is evaluated, developed, tested and placed on the market. Kim,Y., K. Park, S.W., Sawng, Y., W. (2016) define a new product is product which the company needs new marketing and which contain significant changes conveyed. In summary, a new product is an innovation that has new features and is introduced to the market for the first time (see table 1).

Table 1 New product definition

Author	Definition	Highlight
Žvirblis, A. (2000)	Creating a new product is a kind of innovative process that forces the introduction of original goods into the market. these are innovative goods; modifications may be upgraded goods already on the market, new brand goods, products of intellectual activity	a kind of innovative process that forces the introduction of original goods into the market
Pranulis, V., Pajuodis, A., Urbonavičius, S., Virvilaitė, R. (2008)	A new product is a brand new or original product, an improved or modified product. Also, these authors single out several aspects of novelty: a new product on a global scale, a new product group, accessories to an existing product, modification of an existing product, introduction of an existing product to a new market segment.	a brand new or original product, an improved or modified product
Bhuiyan, N. (2011)	A new product appears on the market a sequence of steps, starting with the initial product idea or idea that is evaluated, developed, tested and placed on the market (Booz, Allen & Hamilton) 1982). This sequence of actions can also be seen as a series of information collection and evaluation stages. In fact, with the development of a new product, management is becoming more knowledgeable (or less real) product and can evaluate and evaluate their initial decision to commit creation or launch.	appears on the market a sequence of steps, starting with the initial product idea or idea that is evaluated, developed, tested and placed on the market
Kim,Y., K. Park, S.W., Sawng, Y., W. (2016)	Crawford (1991) defines it as a product which the company needs new marketing and which contain significant changes conveyed but does not include any changes that may require simple advertising.	product which the company needs new marketing and which contain significant changes conveyed

2. Assessing the marketing environment when launching a new product

2.1. External analysis of the company environment

The external environment of a company is one of the factors outside the company - the state of the economy, the social and political environment, the technological environment and competitors. In order to develop technological innovations, it is important that the company has a strategic plan that includes not only possible changes in the environment, but also the company's response, i. y, adaptation to the environment.

The process of analysis of external factors identifies and analyzes the factors of the company's external environment and assesses their potential impact on strategic activities and their success. The external environment examines trends in external factors to predict business threats and opportunities that embrace changes in the external environment. In assessing this, a company gains a real advantage by making acceptable decisions and rejecting what does not meet its potential.

The analysis of the external environment includes four aspects: political-legal, economic, social, technological (PEST).

The political-legal environment sets the boundaries of the organization's activities and provides a legal basis. Political factors determine the taxation of the organization 's work, protection of consumer interests, labor protection, environmental protection, etc. The stability of the political situation in the country, relations with foreign countries have a significant impact on the company. The legal environment includes: the international political situation, the country's domestic political situation, relations with national authorities, legislation. Political-legal environment includes the activities of political parties, legal acts that act as marketing decisions and tools. Political factors include the following legal factors:
1. Laws on the Establishment, Internal Activity and Liquidation of Enterprises.
2. Legislation regulating the relations of companies with buyers, competitors, partners.
3. Separate marketing legislation.

Economic environment. Economic factors, both nationally and internationally, are related to the development and direction of the country's economy in which the organization operates. Company managers need to assess not only the economic situation of their organization, but also the national and international situation. All this indirectly determines the company's operations.

The economic environment is an element of the marketing macroeconomic environment that manifests itself in certain laws and trends of economic development that influence marketing decisions and actions. The economic factors are:
- the country's gross national product;
- customers' income;
- level of accumulation;
- product price level:
- provision of credit.

Socio - cultural environment. Demand for goods varies according to demographic factors, global trends, values, opinions, consumer needs, and lifestyle changes. The social and cultural environment is not stable, it is constantly changing. The individual culture of each company is an important factor in developing and implementing its strategy. The social and cultural environment is an element of the marketing macroeconomic environment that reflects the company's influence on the company, its marketing decisions and their implementation. It includes:
- demographic indicators;
- cultural phenomena and their development tendencies;
- core cultural values.

Technological environment. Technology plays an important role in increasing a company's long-term competitive advantage in the marketplace. A strategic analysis of the technological environment must determine how new products will be developed. Organizations need to be sensitive to the external environment.

Competitive changes can affect other organizations as well, so they need not only to be monitored but also to respond appropriately. The technological environment is an element of the marketing macro environmental environment that encompasses the impact of scientific knowledge and technology on marketing. The technological environment includes:
- improvement of technical progress.
- Unlimited opportunities for innovation.
- an increase in research and development appropriations
- product development.
- regulation of state technical progress.

The process of analysis of external factors identifies and analyzes the factors of the company's external environment and assesses their potential impact on strategic activities. An analysis of the organization's external environment should answer the following questions:
What changes in the external environment affect the organization's strategy?
What factors are most likely to meet the organization's goals?
What can undermine an organization's strategy?

It is important that the company rapidly expands its technology, develops a plan that includes not only possible changes in the environment, but also adaptation to the environment. External analysis consists of four components: customer analysis, competitor analysis, market analysis, and environmental analysis.

Clients. The existence of a company is justified by the ability to find a customer for the company's product. The customer is not only a natural person but also an institution. Each of them is different, has tastes, desires and habits. Only by analyzing customer needs can he deliver what he wants, what he can evaluate and pay for. Customers decide what goods they need, so the performance of the organization depends on the customer's decisions.

Customer knowledge is a complex and ongoing process as, therefore, the organization must closely monitor the changes taking place in society, study the needs of various social groups and adapt them to the goods they produce.

Competitors The influence of competitors cannot be ignored. Often, competitors, rather than customers, determine which products to market and at what price. In this case, consumers are not the only object with which organizations compete. The struggle may be for labor, raw materials, access to technological innovation. Competition refers to working conditions, wages, and the relationship between company management and employees in an organization. With knowledge of your competitors 'accomplishments, you can choose the most effective competitive practices.

Suppliers. The company receives raw materials, materials, equipment, energy, finance from organizations. In a free market, these resources can be obtained almost anywhere in the world. The choice of suppliers is based on prices, quantity, quality.

2.2. Internal environment

The analysis of the internal environment allows to determine the goals and objectives of the company. The strengths and weaknesses of the company need to be identified. Internal analysis helps you understand strategically important aspects of your organization. This analysis includes an analysis of key factors such as strengths and weaknesses.

The following questions need to be answered when analyzing a company:
1. What is the governance structure of the organization?
2. How do the structural units of the company cooperate?
3. What are the duties and responsibilities of the company's employees?
4. Is decision making clear?
5. What is the leadership style of the manager?
6. Are the activities formal?
7. How are employees motivated?
8. What are the advantages and disadvantages of the company's management structure?

The purpose of the internal factor research process is to identify the weaknesses and strengths of strategic activities. When preparing a strategic plan, information is obtained from the company's internal sources: organizational, personnel, production, marketing, finance.

Organizational sources - organizational structure, internal communication, organizational management scheme, style, procedures.

Company employees - employee relations, training, evaluation systems.

Production - buildings, equipment, technologies, raw materials, innovations.

Marketing - market, strategy.

Financial indicators - profitability, turnover, investment opportunities.

The analysis of the internal environment begins with the analysis of sales and profitability. Changes in these indicators mean the viability of the product in the market and its ability to compete. They also show the success of past strategies, so they help decide what strategy changes are needed.

When evaluating internal resources, it is important to analyze how the organization will compete in the future and achieve long-term goals. The status quo is usually not enough, but it needs to be determined whether the current situation of the company will be successful in the future.

2.3. SWOT analysis

The main method of assessing the operational status of an organization is SWOT analysis. SWOT has strengths, weaknesses, opportunities, threats. This analysis is widely used to identify an organization’s weaknesses, strengths, threats, and opportunities, a strategy that ensures the best combination. The basis of strategy formation is to link the shortcomings and strengths of the organization with the existing threats and opportunities.

After examining the field of economics, determining the level of competition and the impact of each of the competitive forces, it is necessary to summarize and evaluate future future changes, future changes in the industry and the company's internal analysis.

An in-depth analysis of the situation and the identification of opportunities for the development of the company's external and internal environment can be expected to develop an effective strategy.

Strengths and weaknesses are key stages in a company’s strategy formation that are evident when analyzing resources. Opportunities and threats include key strategy-making strategies that have emerged from an analysis of a company’s environment.

The logic of SWOT analysis is expressed in sequential steps:
1. Identification of the environmental performance of the parent organization.
2. Identification of the main threats that may arise in this environment.
3. Determining the advantages of the organization - the factors of substantial competitive advantages.
4. Identification of the organization's strategic vulnerabilities and weaknesses.

Two stages are used for SWOT analysis:
It compares the company profile with the opportunities, the real risks, the essential requirements that will allow you to analyze the environment that the company controls.

The advantages and disadvantages of the company's competitors are compared. SWOT analysis helps to understand the strategic situation of the company.

The analysis of the current situation of the company allows to forecast the possible directions and forms of business development. This allows you to start developing a company strategy.

Strengths are resources, abilities that are compared to competitors. They are financial, marketing, organizational or work resources.

Weaknesses are deficiencies in resources, mastery, and capabilities that hinder the work of an organization. They are financial, marketing, organizational, technical or work resources.

Opportunities are favorable conditions for the organization. There is also an opportunity to open new markets, increase the purchasing power of consumers, and the consumption of products.

Threats are inconveniences in an organizational environment. Its main obstacles to achieving the goals of the organization. Threats are posed by competitors, technology, slowed development, constraints, and increased bargaining power of buyers or suppliers. A list of internal strengths and weaknesses, opportunities, and threats is provided in Table 2.

Knowledge of strengths and weaknesses allows us to assess an organization's ability to implement a variety of strategies. By the way, they make a significant contribution to the identification of strategic alternatives. One step is to exploit the weaknesses of competitors in the area where the company is strongest. The end result must be a strategy that neutralizes the strengths of competitors. Conversely, knowing their strengths, it is necessary to find a way to neutralize them. Strengths and weaknesses are taken from the company's internal environment, and opportunities and threats are taken from the external environment.

Table 2 SWOT analysis

Strengths	Weaknesses
High knowledge of employees' technology New technology High level of organizational efficiency Strong brand image Consumer loyalty	Lack of resources Poor local market and infrastructure High production costs Lack of qualified staff
Opportunities	Threats
Strategic partnership with other brands Government policy to support exports Production diversification The growing flow of knowledge	Increased demand for products Increased number of competitors Rapid growth in technology and demand Budgetary constraints

Conclusions

The launch of a new product is a very complex and demanding factor. You can have a very good product, but the wrong choice of product launch strategy can prevent you from doing so. You may not have a very attractive or medium-sized product, but a correct and systematic product launch strategy can ensure a long product life cycle, high sales, and attractive profit margins. In order to successfully launch a product on the market, it is necessary to perform the following steps: conduct the necessary market research; identify niches with market potential; identify key competitors, perform competitive market analysis; formulate product pricing; set long-term and short-term goals; perform product sales planning; anticipate and evaluate marketing elements: price, location, people, advertising, publicity, etc .; determine the communication budgets required for product launch; to perform strategic planning of product launch communication; provide for tactical actions; perform test product sales; to ensure the implementation and supervision of the product launch strategy by appointing responsible persons to ensure the product launch.

Reference

[1] Booz, Allen, & Hamilton. (1982). New product management for the 1980's. New York: Booz, Allen & Hamilton, Inc.

[2] Bhuiyan, N. (2011). A framework for successful new product development. Journal of Industrial Engineering and Management. P.p.746-770.

[3] Kim,Y., K. Park, S.W., Sawng, Y., W. (2016). Improving new product development (NPD) process by analyzing failure cases. Asia Pacific Journal of Innovation and Entrepreneurship Vol. 10 No. 1, 2016 pp. 134-15.

[4] Pranulis, V., Pajuodis, A., Urbonavičius, S., Virvilaitė, R. (2008). Marketingas. Vilnius: Garnelis. 603 p

[5] Žvirblis, A. (2000) Modernusis marketingas: principai ir metodai. Vilnius : Žiema.

[6] https://www.thespace.lt/paslaugos/produktu-ivedimas-i-rinka