

CFAM3.2.2

Develop new products/services



Overview

This is about contributing to the development of potential products/services. It includes liaising with research and development teams, testing new product ideas and covers the managing, screening and trialing of new ideas and concepts. It also includes developing business cases, and evaluating feasibility studies for new products/services.

This unit is recommended for first line and middle marketing managers. Such marketers might be employed directly by the organisation, or work for an agency/consultancy.

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Performance criteria

- You must be able to:*
- P1 agree a new product strategy which is understood and supported by your team, gives clear direction towards generating ideas, and is in line with the overall marketing
 - P2 generate ideas for potential new products/services
 - P3 manage systems for screening which identify cost effectively those ideas with potential, and which are in line with marketing objectives, and discard others
 - P4 test potential ideas effectively
 - P5 assess the market and profit potential of potential new products/services, based upon valid forecasting and analysis of the marketing environment
 - P6 prepare a business case justifying the development of specific new products/services, and which is based upon a valid assessment of the risks involved, and addresses all aspects of the marketing mix
 - P7 present a clear and persuasive business case for identified new products/services
 - P8 establish and present plans for feasibility studies, which include a clear and justified methodology with agreed success criteria
 - P9 make recommendations for marketing new products/services which are supported clearly by the outcomes of feasibility studies, and which include a valid business case and product/service specification

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Knowledge and understanding

You need to know and understand:

General knowledge and understanding

- K1 the topics to be addressed by new product strategy
- K2 the importance of ensuring that the new product strategy is in line with overall marketing objectives
- K3 sources of ideas for potential new products/services, including customer facing teams, and customers
- K4 principles and methods of identifying customer behaviour and needs
- K5 methods for identifying and analysing competitor activity
- K6 how to analyse requirements for new products across the marketing mix
- K7 how to distinguish between product ideas, concepts and image, and the stages and methods of screening/trialling applicable to each, including the relative advantages and disadvantages of different types of market trials
- K8 the principal pricing strategies appropriate for new products, and the issues to be considered when applying these to new products/services, including those that are part of an existing family of products
- K9 how to apply various forecasting techniques and their relative advantages and disadvantages when exploring the potential for new products/services
- K10 how to prepare a valid business case and the key factors to be considered when justifying the development and marketing of new products/services

You need to know and understand:

Industry/sector specific knowledge and understanding

- K11 the principal distribution channels, and how to assess their appropriateness when exploring the potential for new products/services

You need to know and understand:

Context specific knowledge and understanding

- K12 the organisation's overall marketing strategy and objectives, and its implications for your area of operations
- K13 features and trends relating to products/services within your own area of operations
- K14 limits of your own authority and responsibility and to whom to refer when these are exceeded

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Additional Information

Behaviours

1. You demonstrate a clear understanding of different customers and their real and perceived needs
2. You identify opportunities to develop, match and tailor products/services to meet customer needs
3. You anticipate likely future scenarios based upon a realistic analysis of marketing trends and developments
4. You check the validity and reliability of information
5. You present information clearly, concisely and accurately
6. Your present information and arguments convincingly and in ways which gain the commitment and support of others
7. You identify the range of elements in a situation and how they relate to each other
8. You present difficult ideas and problems in ways that promote understanding

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