

Idea Development and Market Research

The process of introducing a new idea or way of doing something is called **innovation**.

An idea for a product or service can be sparked from many different sources. They can be divided into **internal sources** and **external sources**.

Internal sources are ideas that come from inside a business!

Examples of internal sources are:

- Brainstorming
- Employee suggestions
- Research & Development
- SWOT analysis(**Strengths, Weaknesses, Opportunities, Threats**)

External sources are ideas that come from outside a business!

Examples of external sources are:

- Competitors
- Trade Shows
- Market Research
- Agencies
- Other Businesses

STEPS IN DEVELOPING A NEW PRODUCT OR SERVICE

1. Generating an Idea

The idea comes from either external or internal sources mentioned above.

2. Selecting the Most Promising Idea

All the ideas are considered and the best one is picked.

3. Developing the Idea

At this stage, the idea is developed further and a **USP** is identified. Which is the key point on which you should buy the specific product or service over their competitors.

4. Conducting a Feasibility Study

At this stage, the product or service is tested if it can be produced in a reasonable amount of time at a profit.

5. Making a Prototype

At this stage, a test product is made to highlight any products the final product may have.

6. Test Marketing

The product or service is tested on a small group of people and their feedback is taken the product meets the consumer's needs and wants.

7. Launching the Product or Service

At this stage, the product or service is made available to buy and it will be advertised and promoted in appropriate places to make consumers aware of the product.

Marketing-Describes all of the actions a business takes to get its product or service to the consumer

Target Market-Refers to the people that are likely to be interested in a particular product or service.

Market Research-Before launching a new product or service, it is important that a business finds out as much information as possible about its target market.

There are two types of market research:

1. Desk Research
2. Field Research

Desk Research

Desk Research involves looking at information that is already available from other sources, such as the internet, reports, books and government agencies. Today an organisation might use social media and online reviews of competitor products to find out a target market's likes and dislikes.

Field Research

It involves collecting new information directly from the target market using methods such as observing consumer behaviour, interviews, surveys, questionnaires and focus groups.

The group of people who take part in field research are called the **sample**.

Open Questions-Open Questions allow the person being interviewed or surveyed to give their own opinion.

Closed Questions-Closed questions ask for a yes or no answer or for a specific piece of information

Analysing Results Formula

$$\frac{\text{Number of people with the same answer}}{\text{Number of people in sample}} \times 100 = \%$$