**STAGES IN PRODUCT DEVEOLPMENT**

When it comes to successful new product development, productivity is key. Entrepreneurs seeking to remain relevant, efficacious and profitable must continuously conceive and develop new products that not only make it to the market, but also deliver great value to target audience members.

When product management team collaborates on developing a new product, following these stages of the new product development process will ensure ultimate productivity and drive the product’s overall marketability upon introduction.

**Stage 1: Idea generation**

It is a continuous search for new, viable product development opportunities. Often, companies employ basic internal and external [SWOT](https://www.investopedia.com/terms/s/swot.asp)(strengths, weaknesses, opportunities and threats) analyses and examine market trends to generate hundreds, or even thousands of potential product ideas. Internal ideas can be sourced through R&D and employee brainstorming, while external ideas tend to come from studying and communicating with distributors, suppliers, customers and competitors.

Some other analysis are:

* Dimensional analysis– listing all physical characteristics of a product idea and asking relevant questions to assess its potential for success.
* Problem analysis– formulating a list of existing consumer problems, pain points and needs to serve as a basis for new product development ideas.
* Benefit structure analysis– identifying which product benefits and features consumers desire or would be pleased to have, to determine deficiencies in existing products and provide the market with enhanced, or totally new solutions

## Stage 2: Idea screening

The product management team may come up with many new product development ideas, but few will likely be great, or even feasible. This second step of new product development involves screening all newly-generated ideas to sift the good ones from the not-so-good ones – and discarding the latter, taking into account several factors:

* Company’s strengths,
* Company’s weaknesses,
* Customer needs,
* Current market trends,
* Affordability
* What your competitors are producing
* And more.

This stage helps in evaluating different areas

1. Financial and legal considerations
2. Process and equipment availability
3. Purchasing power
4. Ingredients accessibility
5. Consumer perception

## Stage 3: Concept development & testing

All ideas passing the screening stage are developed into concepts, which will subsequently be tested for real-world viability.  For every feasible new product development idea, multiple alternative concepts can be created, from which your company can select the one most likely to appeal to your target audience. These alternatives can vary according to several factors, such as quality, price point, features and comfort/convenience of use.

Once concepts have been developed, each one is tested with sample target consumer groups. The feedback these focus groups provide is used to further develop the concept to better meet customers’ needs and demands.

* A sample group is gathered and presented with the concepts, either physically or using symbolic information. This helps them visualize the product.
* The group asks representatives of your business questions to better understand the concept and the solution it aims to provide.
* Your business asks the group members questions about their perception of the concept – does it fulfill their wants and needs? Is it something they are likely to buy?

## Stage 4: Product development

The main actions involved in the product development stage include:

* Product construction
* Usage testing
* Packaging
* Branding
* Product positioning

## Stage 5: Test marketing

## Unlike concept testing, test marketing involves placing an actual finished product for sale in one or multiple sample market settings and observing how well (or how poorly) it sells under the pre-determined marketing plan. Here again, customer feedback is crucial, this time relying on actual observed customer behavior. The goal of the test marketing stage of the NPD process is to validate the entire concept behind the new product before the full investment is made and ready the product for its imminent commercial launch.

## Stage 6: Commercialization

## At this stage, your new product developments have gone mainstream, consumers are purchasing your good or service, and technical support is consistently monitoring progress. Refreshing advertisements during this stage will keep your product’s name firmly supplanted into the minds of those in the contemplation stages of purchase.