

Food Product Development

The commercial end result of Food Science and Technology is the delivery of acceptable foods to consumers.

Product: A good idea, method, information, object or service created as a result of a process and serves a need or satisfies a want. It has a combination of tangible and intangible attributes (benefits, features, functions, uses) that a seller offers a buyer to purchase. For example a seller of a toothbrush not only offers the physical product, but also the idea that the consumer will be improving the health of their teeth.

The following points are very important before food product development

1. To understand why new products are developed.
2. To note the key areas of product development in the past 10-15 years.
3. To understand why products may fail.
4. To understand the product life cycle.

1. Why Develop New Products?

To remain in business and retain a competitive position, companies need to produce new products, maintain or expand their market share and know what their competitors are producing.

The aim is to supply the needs of the consumer at a profit. For a product to be developed it must be:

- Economically viable
- Technically viable.

Financial, technical and sales forecasting will be undertaken for new products to estimate the potential of the area.

2. Key Areas of New Product Development

During the past 10 – 15 y

ears key areas of new product development are given below:

- Producing ‘convenience’ foods – in response to changing lifestyles.
- Providing products with altered nutritional content – following the increasing public interest in nutrition, diet and health, e.g. low fat products.
- Increasing the variety of products available – to provide more choice.
- Producing ‘economy’ lines – to appeal to people on lower incomes
- Appealing to the ‘luxury’ market – to attract more affluent customers of those who wish to give an impression of status.
- Maintaining and improving product quality – to retain customer loyalty.

How Many Products Fail?

Many products will not make it through to final launch, but will fail at an earlier stage of development. For every 100 ideas, approximately 10 products are launched, giving a 90% failure rate. A year later, only one of these ten products will still be on sale. In order to spread the financial risk, a company is likely to have a number of products under development at the same time.

3. Why Do Some New Products Fail?

Reasons for failure may include:

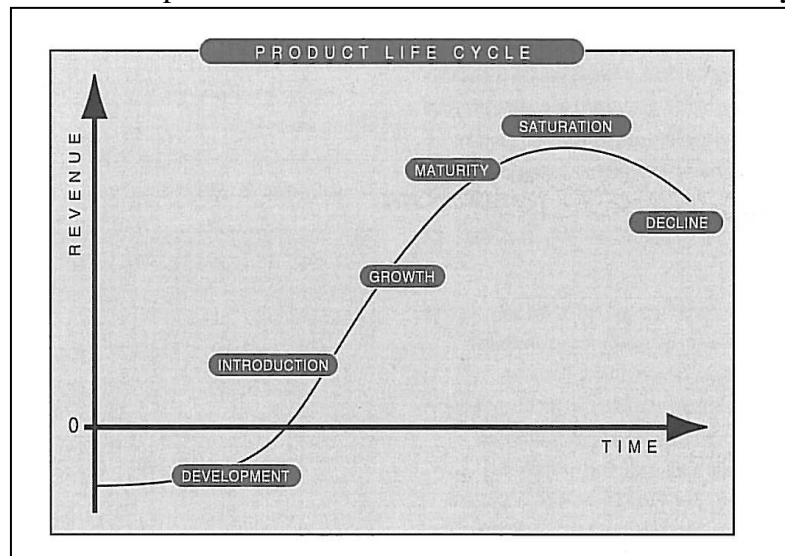
- No difference between new and old product (50% failure)
- Tough competition
- Unsatisfactory distribution (very popular)

- Rising cost of ingredients, production and packaging
- Low profits
- Ineffective advertising
- Poor, unattractive packaging
- Food scares
- Environmental concerns
- Bad timing
- Poor product positioning on shelf
- Too innovative (ahead of its time)

4. Product Life Cycle

The life of a product includes its time in development and the time it is in the market. It usually consists of the following stages:

- Development
- Introduction
- Growth
- Maturity
- Saturation
- Decline



To prevent a decline in sales, companies usually employ marketing tactics to boost sales, such as:

- Money off vouchers
- Limited edition varieties
- New pack sizes
- 'New' and 'improved' varieties

By doing this, sales of particular products can remain level for long periods of time.