Generating New Product Ideas and Concepts

Firms will use a variety of methods to generate new product ideas/concepts.

Review the following examples and identify what approach each firm is using. Which approach do you think would be the most successful? Why?

Different Approaches to New Product Generation

1. "At our firm, we simply copy the competitors' new products. I mean, we let them do all the hard research and analysis. And once we know it's a winner, we try to bring out an improved version."

2. "Our firm is really big into creativity. They have a staff suggestion box, and every quarter will have to fill in a form and list ideas that can improve the firm's performance. Lots of our ideas come from those forms."

3. "We really research based. I can't believe the number of focus groups that are run with customers. We're always asking them what's wrong with our products."

4. "We do the same thing; except we don't use customers. Instead, we get our product designers to try and work out how they can make the product better. They look at every aspect minor of the product to work out how to improve each part."

5. "At our firm, we start with the market. At the end of the day, the product needs to be a market success, which means it needs to hit consumer demand without too much competition. So, we look at what competitors are offering and what we can offer that's different."

Student Discussion Questions

1. How would you describe the general approach being used by each firm to generate new product concepts?

2. Are there any other approaches that you can think of?

3. The firms in this example seem to use one main approach only. Do you think that firms will do this, or will they most likely use a combination of idea generation approaches?

4. Which of the product generation approaches do you think will be the most effective? The least effective? Why?