New Product Policy -
How to Create and Market Successful New Products?
Syllabus
55921 Spring 2013
Dr. Renana Peres

Course Objectives
Successful introduction of new products to the market is the daunting task of many marketing executives. Millions of new products are introduced to the market each year. Whether you work for a startup or a large company, whether you sell products or services, and whether your customers are individual consumers or companies – most of the chances are that you will be involved in the development and marketing of a new product throughout your career. This is not an easy task, and unfortunately, 90% of the new products fail.

All the marketing tools you acquired so far are relevant to new products. In this course we focus primarily on state of the art frameworks, concepts and tools that have been recently validated by innovative companies. We structure our learning around the following basic steps of the innovation process:

1. Opportunity identification
2. Idea generation
3. Design
4. Testing

In summary, this course is intended to
- Familiarize you with the concepts new product design and development.
- Introduce you to the important managerial issues in new product design
- Present you with the state-of-the art methods for in new product ideation, design, development and marketing.

Classes
We meet on Tuesdays, 16:30-19:00, room 3305.
You are welcome to contact me via email to mailto:peresren@huji.ac.il, phone to 02-5883073. My office is 5115.

Learning methods
The course uses a combination of lectures, cases, class discussions and readings.
Lectures will be used to introduce new concepts, frameworks and tools that are important for conducting a thorough marketing analysis and developing marketing strategy and programs. These lectures will be interactive rather than simply a monologue.

Lectures will be used to introduce new concepts, frameworks and tools that are important for conducting a thorough marketing analysis and developing marketing strategy and programs. These lectures will be interactive rather than simply a monologue. Typically, the slides are not complete and will need to be annotated during the lectures, so if you miss a class you will need to get annotations from a colleague.

You will be asked to read the required material from the reading list below before each class. You are expected to be able to participate in class discussions based on these readings. The lectures will complement the text and will not attempt to cover all points raised in the reading.

In addition, we discuss cases, which illustrate managerial dilemmas and market scenarios. The cases are contained in the course reading packet. Additional material will be posted on the course Website.

Assessment

1. Class Participation 15% (individual)
2. 3 Case Write-ups 30% (pairs)
3. Final Exam 55% (individual)

Class participation

Regular class participation is expected and will be a part of the grade. Grading class participation is necessarily subjective. Basically it will be based on my impression on your reading and understanding the material in your reading list, and on your ability to articulate it in class discussions.

1. Readings:
   You will be asked to read the required material from the reading list below before each class. The lectures will complement the text and will not attempt to cover all points raised in the reading. Much of our discussion in class is based on the readings.

2. Class Discussions:
   Some of the criteria for evaluating effective class participation include:
   a. Is the participant prepared? Do the comments show evidence of deep case and readings analysis (vs. stating the facts)?
   b. Is the participant a good listener? Are the points made relevant to discussion?
   c. Is the participant an effective communicator? Are concepts presented in a concise and convincing fashion?
You should be prepared for all case discussions on the cases and the reading materials. In addition, be expected to be “cold called” during a discussion, either about a case or a reading.

**Case Write-ups**

You will be asked to submit 3 case reports. The cases describe managerial scenarios which require strategic decisions.

Case1: Lego  
Case2: Microsoft  
Case 3: Stents

In each write-up, describe the main managerial dilemma, and analyze the situation based on the course terminology and the tools learned here and in other marketing courses. Choose one or two relevant analysis frameworks or models and apply them to the case. Specific guidelines for each case will be posted on the course Web site. *Reports will be submitted in pairs*, the typical length of a case report is 3 pages written in 1.5 lines space, font 12.

The cases will be downloaded through a designated link at Harvard.  
[https://cb.hbsp.harvard.edu/cbmp/access/18691875](https://cb.hbsp.harvard.edu/cbmp/access/18691875)

Please make sure you all work on a legal copy, and that you follow the guidelines. We cannot grade works which were not based on a legal copy.

The cases will be discussed in class. The case discussions are a critical component of the learning process for this course. You should be prepared for all case discussions. You will be evaluated on both the quantity and quality of the participation.

Please note:  
1. Case submission is mandatory, late submissions will not be accepted.  
2. Full submission on time is required in order to take the exam.

*I look forward to meeting you on the first day of class. If you have any questions regarding the course, please feel free to contact me. Please contact me in advance with any special request or issue, I cannot relate to any ex-post request.*
# Course outline

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<tr>
<th>SESSION</th>
<th>DATE</th>
<th>Topic, Methods, and Readings</th>
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| 1       | Feb 26 | **Introduction** –  
|         |       | - Course goals and objectives  
|         |       | - What is a new product?  
|         |       | - Why do most new products fail?  
|         |       | - The new product development process  |
| 2       | Mar 5 | **Opportunity identification**  
|         |       | - Blue Oceans and Black Swans  
|         |       | - Disruptive Technologies  
|         |       | **Reading:**  
|         |       | 2. Also: Search the Web for "The Black Swan" idea by Nassim Nicholas Taleb.  
|         |       | **Optional Reading:**  
| 3       | Mar 12 | **Opportunity identification – from technology**  
|         |       | - Product based ideation methods – Brainstorming, 6 hats, mind mapping, random simulation, synectics  
|         |       | - Ideation templates  
|         |       | **Reading:**  
|         |       | Please conduct a Web search on one of the above ideation methods –  
|         |       | ✓ Brainstorming (relate also to Electronic Brainstorming and Nominal groups)  
|         |       | ✓ The 6 thinking hats by De Bono  
|         |       | ✓ Mind map by Tony Buzan  
|         |       | ✓ Random simulation: (Google “Random simulation” creativity)  
|         |       | ✓ Synectics (by Prince and Gordon, operated by Synecticsworld).  
|         |       | Write a short summary of the essence of the methods, advantages and disadvantages, prepare to present your insights in class.  
|         |       | **Guest Lecture** : Karen Shemer from SIT  
|         |       | **Optional Reading:**  
|   |   | Business Review, March.  
| 4 | Mar 19 | Opportunity identification – from the market  
|   |   | • User based innovation  
|   |   | • Open innovation  
|   |   | **Reading:**  
|   |   | **Optional reading:**  
| 5 | Apr 9 | Opportunity identification – balancing both methods  
|   |   | • Lead Users  
|   |   | • Empathic design  
|   |   | **Optional Reading:**  
|   |   | 2. Martin, Justine, Ignore your customers, Fortune 1995 131 (8) (1, May)  
|   |   | **Case submission and discussion: Lego**  
|   |   | Innovation at the Lego Group (B) IMD382-PDF-ENG |
| 6 | Apr 23 | Product design and development  
|   |   | • Mix of attributes in the product  
|   |   | • Optimal number of product varieties, mass customization  
|   |   | **Reading:**  
|   |   | **Optional Reading:**  
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| Apr 30 | Concept Testing  
- Test markets, Simulated stock markets  

Reading:  

*Please conduct the following exercise:*  
- Take an empty 500ml water bottle. Fill it up with 300 M&Ms or Adashim candies.  
- Survey 30 people, and ask them to estimate how many candies are in the bottle.  
- **Note:** Do not show the bottle to more than one person at a time. Ask each person individually. They can hold the bottle, feel it, turn it upside down etc.  
- Record all responses and email them to me on an Excel file with two columns – your id number on each row of column A and the estimations on column B.  

Optional Reading:  
| May 7 | Overview of the R&D Process  
- Managing the R&D Process – House of quality  

Reading:  
| May 21 | Launch  
- Social networks  
- Agent based models to describe social networks  
- Seeding  

Reading:  
| May 28 | Growth of markets of new products  
- The Bass diffusion model  
- On diffusion parameters and non-Bass diffusion curves  

Reading:  
1. Forecasting the Adoption of a New Product (HBS# 505-062) |
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<td>• More on product's life cycle</td>
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<td><strong>Case submission and discussion:</strong> Drug-Eluting Stents Examining the Adoption of Drug-Eluting Stents. 2011. 9-509-028.</td>
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