



## **Checklist to Minimise Risk of New Product Failure**

<b>Common reason for product failure</b>	<b>Proactive process to apply</b>
<ul style="list-style-type: none"> <li>• Insufficient <u>demand</u> for this type of product / market potential is too small.</li> </ul>	Define market parameters; estimate rough potential in the opportunity identification and concept test stage. Pretest advertising for message clarity & effectiveness.
<ul style="list-style-type: none"> <li>• The organisation's capabilities &amp; infrastructure are not a good <u>match</u> with the product / marketing requirements.</li> </ul>	Before development begins, identify suitability of match to the organisation's existing capabilities and strategic direction. Ensure cross functional agreement is managed
<ul style="list-style-type: none"> <li>• Product is not sufficiently <u>different</u> / new, or strong substitute products enter market soon after launch.</li> </ul>	Disciplined application of selection criteria at the idea screening stage ; and quality customer research to check their perceptions and early reaction.
<ul style="list-style-type: none"> <li>• Product does not offer sufficiently better performance; features, value or <u>benefit</u>.</li> </ul>	In the design stage, test the perceived benefits of concept and its relative strengths. Operationally test product.
<ul style="list-style-type: none"> <li>• Poor promotion / <u>positioning</u> of the product's unique benefits / value &amp; its capability to meet customer needs.</li> </ul>	Apply research ( eg; preference analysis / perceptual mapping) to provide direction on the best positioning of product's key attributes, brand strength & value.
<ul style="list-style-type: none"> <li>• Inadequate support from distribution <u>channel</u> /s, or sales force.</li> </ul>	In the pretest market stage, assess dealer / channel capabilities; response & support.
<ul style="list-style-type: none"> <li>• Overestimated sales potential at the <u>forecasting</u> stage.</li> </ul>	Apply systematic demand forecast methods in the early stages, and application of customer segmentation.
<ul style="list-style-type: none"> <li>• Underestimating the <u>competitor</u> response and speed in copying this product.</li> </ul>	Strong positioning & branding to pre-empt competitors. Quick diagnosis of, and response to, competitor's moves.
<ul style="list-style-type: none"> <li>• Substantial change in customers' needs / <u>preference</u> before product is successful</li> </ul>	Early and regular monitoring of customer trends in perceptions and preferences - even after launch.
<ul style="list-style-type: none"> <li>• Significant change in an <u>environmental</u> factor that causes diminished demand / market opportunity.</li> </ul>	Incorporate an assessment of appropriate environmental factors in the opportunity - risk analysis stage. Monitor regulatory & social issues, and merging technologies.
<ul style="list-style-type: none"> <li>• Insufficient <u>profitability</u> or return on assets / investment.</li> </ul>	Systematic assessment of all forecast direct & indirect costs, and integrated target marketing and promotion.
<ul style="list-style-type: none"> <li>• Intraorganisational conflicts ; poor cross functional synergy / management structure.</li> </ul>	Multifunctional approach needed to facilitate intra-organisational communication & collaboration.