Faculty of Commerce and Economics
School of Marketing

MARK3091
New Product and New Service Development

Course Outline

Lecturer: Mr Gordon Taberner

Session 2, 2007
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. COURSE STAFF</td>
<td>3</td>
</tr>
<tr>
<td>1.1 Communication with Staff</td>
<td>3</td>
</tr>
<tr>
<td>2. INFORMATION ABOUT THE COURSE</td>
<td>3</td>
</tr>
<tr>
<td>2.1 Description</td>
<td>3</td>
</tr>
<tr>
<td>2.2 Other Information</td>
<td>3</td>
</tr>
<tr>
<td>2.3 Course Information/Overview</td>
<td>3</td>
</tr>
<tr>
<td>3. COURSE AIMS AND OUTCOMES</td>
<td>4</td>
</tr>
<tr>
<td>3.1 Learning Strategies</td>
<td>4</td>
</tr>
<tr>
<td>3.2 Teaching Strategies</td>
<td>4</td>
</tr>
<tr>
<td>4. STUDENT ASSESSMENT</td>
<td>4</td>
</tr>
<tr>
<td>4.1 Grading</td>
<td>5</td>
</tr>
<tr>
<td>5. STUDENT RESPONSIBILITIES AND CONDUCT</td>
<td>6</td>
</tr>
<tr>
<td>5.1 Student Resources</td>
<td>6</td>
</tr>
<tr>
<td>6. COURSE COMPONENTS</td>
<td>7</td>
</tr>
<tr>
<td>6.1 New Product Review (25%)</td>
<td>7</td>
</tr>
<tr>
<td>6.2 Class Workshops</td>
<td>8</td>
</tr>
<tr>
<td>6.3 Team Project (25%)</td>
<td>8</td>
</tr>
<tr>
<td>6.4 Final Exam (50%)</td>
<td>10</td>
</tr>
<tr>
<td>7. ASSIGNMENT SUBMISSION PROCEDURE</td>
<td>12</td>
</tr>
<tr>
<td>7.1 Late Submission</td>
<td>12</td>
</tr>
<tr>
<td>7.2 Special Consideration</td>
<td>12</td>
</tr>
<tr>
<td>7.3 Assignment Format</td>
<td>12</td>
</tr>
<tr>
<td>8. ACADEMIC HONESTY AND PLAGIARISM</td>
<td>12</td>
</tr>
<tr>
<td>8.1 Plagiarism</td>
<td>12</td>
</tr>
<tr>
<td>8.2 Other Resources, Support and Information</td>
<td>13</td>
</tr>
<tr>
<td>9. CONTINUAL COURSE IMPROVEMENT</td>
<td>13</td>
</tr>
<tr>
<td>10. COURSE SCHEDULE</td>
<td>14</td>
</tr>
</tbody>
</table>
1. COURSE STAFF

Lecturer: Mr Gordon Taberner
Consultation time: TBA
Location: John Goodsell Bldg, Room 323
Contact ph: 9514 3589 (leave a message and a contact phone number)
Email: g.taberner@unsw.edu.au

1.1 Communication with Staff
For contact outside of tutorial time, please use the above-listed details. Staff will be available for consultation at the specified times – no appointment needs to be made if you wish to see your lecturer at this time. If you require contact outside of this time, please email or phone the staff member with your question or to negotiate an alternate and mutually suitable consultation arrangement.

2. INFORMATION ABOUT THE COURSE

2.1 Description
A course focused on how to develop a business plan for a new product or service launch, having diagnosed a market opportunity. This involves an understanding of product-based competition and an appreciation of strategic options available to firms that are adept at development. Themes include: NPD processes, from setting a strategic framework for the development effort through to monitoring post-launch success; methods of market research and the use of analytical approaches such as perceptual mapping, benefit segmentation, trends unbundling and morphological analysis; screening and ranking processes to set priorities for development; converting concepts into prototypes; developing strategies and plans for the commercial launch. Some exercises may require flexibility with the timing of classes.

2.2 Other Information
This course is 6 credit points, 3 hours per week. The prerequisites are Marketing Fundamentals (MARK1012), Marketing Research (MARK2052) and Consumer Behaviour (MARK2051).

2.3 Course Information/Overview
The course provides six units of credit. There is one three-hour lecture each week and no parallel teaching.

This course is designed to provide you with an awareness of the issues involved in new product and new service development and a basic understanding of selected processes and tools available for dealing with these issues.

The course is intended to serve students who anticipate careers or participation in product management/product planning or who expect to be involved in the design and development of new products (goods and services). As such it could have relevance to students focusing on non-marketing disciplines including those whose primary interests are in design and applied science.
Given the complexity of the new product and service creation process, extensive integrative thinking is called for in this course. Accordingly, it is positioned as an advanced level course.

New product development is increasingly viewed as a complex interdisciplinary process requiring inputs throughout from the finance, production and engineering functions of the business as well as marketing and R&D. Students are expected to be conversant with concepts that draw from other courses e.g. product line profitability

3. COURSE AIMS AND OUTCOMES
This course incorporates both strategic and tactical dimensions of new product and service development. It demonstrates a variety of concepts and modes of thinking about innovation and product development. In more concrete terms, it is expected that by the end of the semester you will be able to:

1. Recognise the increasing importance of new product and service creation;
2. Have a workable knowledge of a "best practice" approach to product creation from concept selection through to post-launch monitoring;
3. Have exposure to a similar approach used by service industries and, more generally, a feeling of how well service companies perform in new service development (NSD) compared to manufacturing firms. Most product development principles and practices are equally relevant to service development. An optional lecture on services may be incorporated into the schedule.
4. Recognise the organisation and management practices that are most likely to result in successful new product creation processes.
5. Be conversant with the current terminology that is used by managers who are active in new product development work.

At the end of the course, you will be able to distinguish good from bad processes, make suggestions about how to improve the latter, know how to organize and function within an NPD project team, know how to manage the team using “tools of the trade” and know how to avoid some of the major pitfalls of NPD processes

3.1 Learning Strategies
Students will be encouraged to undertake research, study the literature and monitor the media on subjects related to new product development. By creating a broader perspective on the topic, class debate and student learning should be made more effective than if it was confined only to text material.

3.2 Teaching Strategies
Each week the three hour session will be made up of a number of components which will emphasise student input and enhance the learning process. A typical week will consist of a combination of the following; a lecture, a student presentation on their own literature or field research findings, a team workshop. All of these activities will take place in an atmosphere of active discussion and debate.

4. STUDENT ASSESSMENT
Final assessment for this subject will be made on performance in four components that have been designed around both individual and team work;
Individual component; Importance/Value

• New Product Review: 25%
• Final Exam: 50

Group Work;

• Group Project: 25
• Team Class Workshops

Total: 100%

• Students must pass the individual component of the subject before team marks are added
• Each student must satisfactorily complete all components in order to be eligible to pass the subject.
• Students must attend at least 80% of the scheduled lectures to pass this course.

4.1 Grading
The following are intended to provide a guideline as to the grades students can expect according to the levels of research and effort for each course component.

Students should determine their strategies which will achieve the grade level they want to achieve both for individual components and the subject overall.

• Less than 50%; Fail; The student has not fulfilled the brief and requirements necessary to pass the assignment/subject. For this reason it is imperative that these outline notes and guidelines be understood and embraced.

• 50%-64%; Pass; The requirement as outlined have been fulfilled as per the brief. The degree the briefing has been fulfilled will be reflected in the level of the pass ie 50 up to 64%.

• 65%-74%; Credit; This grade clearly demonstrates a superior result over a pass grade which could take the form of additional research, literature searches, better presentation, continuity and clarity of text, layout, referencing etc

• 75%-84%; Distinction; These students have produced exceptional work. This work will be reflected in high quality research, literature searches, text clarity and continuity, referencing etc
In distinction level work there would be no shortcomings in any aspect of the work

• 85%-100%; High Distinction; This category is reserved for outstanding performance. All aspects of the work would be outstanding including back
ground research, broad literature search, documentation, expression, layout, text, presentation, referencing etc

5. STUDENT RESPONSIBILITIES AND CONDUCT
For additional information regarding your responsibilities regarding workload, general conduct and behaviour, and keeping informed, please refer to the School of Marketing’s website.

5.1 Student Resources
Although the course will encourage study and reading from a broad base, a core text is recommended in order to provide a cohesive framework for study. Two supporting text reference bases are also referred to in the course outline list that follows. These additional references are given to guide students to a variation on how core themes are dealt with and presented.

Main References:

Support References:
- Rust R T, Lemon K N and Narayandas D, 2005, Customer Equity Management, Person, New Jersey

Literature References:
Refer to the reference list at the end of this course outline. Students who are keen to further extend their knowledge of this area should also conduct their own original literature and media searches. Journals of particular focus are: Journal of Product Innovation Management, Journal of Marketing, Journal of Marketing Research, European Journal of Marketing, The Journal of Brand Management

Special Note; Richness of new thinking and research comes forth in the literature of journals and publications. Students wanting to achieve good grades in this subject must expect to spend considerable time researching, reading and integrating ideas into their own thinking and material from the textbook and lectures.

Reference List; Periodicals
NOTE; Journal of Product Innovation Management is shown as JPIM


6. Course Components

6.1 New Product Review (25%)
Each student will be required to complete a report based around an actual new product/service launch. The objective of the report will be to investigate as much of the internal and external aspects of the event as possible, then to make an appraisal of what happened against what should have happened according to your own opinion and the prescriptive guidelines presented in the texts and literature.

External (Primary) research will cover dimensions such as market size and potential, competitive positioning, regulation, customer opinion, intermediaries. Internal dimensions will examine aspects related to how the organisation managed the development and follow up processes including research and planning, screening, development, communication, commercialisation, launch, marketing strategy formulation etc.

Students must choose a product example for which secondary information is available and/or primary research can be undertaken within the time and resource constraints at their disposal.

The paper must include relevant new product and marketing theory. All discussion must be supported by appropriate references.

*** Please note that the sources of your investigations must be original research undertaken specifically for this subject and not merely flow from a previous personal business case or project

Research and Survey instruments must be approved before any fieldwork is undertaken.

This assignment will be graded in line with the attached Project/Assignment criteria sheet.
• The report should not only document events, but also critically appraise them. The core text of the report should not exceed 10 pages. Descriptive aspects of your investigations should be kept to a minimum, with the bulk of your paper devoted to the value added aspect of your review by way of analysis, critique and recommendations.

• Note on all hand-in assignments; These must be handed in on the scheduled date. Penalty for late submissions is a 10% mark deduction for each day overdue.

• **DUE DATE:** Week 8, 11/9/07 (in lecture)

**Please** staple your paper submission and hand it in without plastic binders/folders. Each student must include recommendations on how the launch could have been improved and future strategies for ongoing product management.

### 6.2 Class Workshops

Throughout the semester students will work in small groups to complete a series of workshop assignments, in class. They will include the investigation of various aspects of new product and new service development or involve the practical application of new product theory.

These workshops will not be graded. However students will develop critical appreciation of new product development issues and how to approach them. *These knowledge and skills will be critical to completing the course and the final examination satisfactorily.* On occasions, students will be asked to present their findings to the class- these presentations will not be graded.

### 6.3 Team Project (25%)

The class will divide into teams for the purpose of completing this major project. In addition to a hard copy of the team’s work to be handed in on **Week 12**, a presentation to the class will be made at **Week 13**.

• A one page outline of the project (Team Project Proposal) must be handed in at **Week 4**. The objective of the project is to build knowledge and skills in new product planning and/or capabilities to assess and critique the new product development process as it is performed by organisations.

A plan will be prepared for a proposed new product or service that includes many of the essential elements covered in this course. Teams will be required to carry out the essential new product steps and phases, documenting the process and findings along the way. The core text of the report submission must not exceed 15 pages. This limitation is to ensure that the report is a concise story that can be easily read and understood by the decision makers who would normally receive your recommendations and plan. Detailed aspects of the report eg the marketing plan, research findings etc, may be relegated to support appendices.

Your plan should at least cover the following components:

**Concept Generation:** The team will work through the critical steps to arrive at the new product for which they believe a commercial opportunity exists. Details of
the concepts used and approaches adopted need to be thoroughly documented. In-depth product statements must be written for the alternative concepts generated.

**Evaluation and Screening:** A rigorous process needs to be designed which will satisfactorily screen the concepts generated. Methodologies and processes together with results should be documented including details of respondents used in the screening process. Note; Research and Survey instruments must be approved before any field work is undertaken.

**Development Process:** This part of the report will deal with the various aspects of development that the new product has to pass through before the Commercialisation phase.

**Commercialisation:** This section will set out the various plans and considerations necessary to make the selected product a commercial success. The most critical components will be the Financial Analysis (Refer Crawford Chapter 11), the Marketing Plan (Refer Crawford Appendix D), and the Guidelines for Evaluating a New Products Program (Refer Crawford Appendix E).

All aspects of the process management must be researched, analysed and assessed including; strategy planning, concept generation, evaluation and screening, development steps, commercialisation including post launch management. Please note that the sources of your investigations must be original and specifically undertaken for this subject. Research and information sources must be documented and not merely flow from the memory of a team member.

After collecting information and investigating how the processes are managed, the team will assess the approaches against the philosophies, concepts and ideas covered in this course. Note; Research and Survey instruments must be approved before any field work is undertaken. Recommendations to improve the process will be an important part of the report.

**Team Project Requirements:**
The core text of the case study or new product plan submission must not exceed 15 pages. This limitation is to ensure that the report is a concise story that can be easily read and understood by the decision makers who would normally receive your report and recommendations. Detailed aspects of the project eg research results, statistics etc, may be relegated to support appendices.

- The report should not only document events, but also critically appraise them. The core text of the report/plan should not exceed 15 pages. Descriptive aspects of your investigations should be kept to a minimum, with the bulk of your paper devoted to the value added aspect of your review by way of analysis, critique and recommendations.

Please staple your paper submission and hand it in without plastic binders/folders - there are no additional marks awarded for folder/binders.
This assignment will be graded in line with the attached Project/Assignment criteria sheet

- Note on all hand-in assignments; These must be handed in on the scheduled date. Penalty for late submissions is a **10% mark deduction for each day overdue**

For **project grade allocation**, team members will distribute the allocated mark according to perceived contribution to the final result. This is done by each team member distributing 100 points among the team. Each member’s points are averaged to arrive at their weighting factor.

**NOTE;**
1) **All projects must be original** and undertaken specifically for this semester’s subject. Penalty for non-original submissions is loss of all marks for the project. This rule will apply to all team members involved.

**6.4 Final Exam (50%)**
All students must undertake a final exam. The purpose of the exam will be to ensure that students consolidate the Semester’s learning and demonstrate their ability to apply new product theory and concepts to real-life situations.

Details of the exam format will be discussed in lectures.
Student projects/plans will be assessed on a number of criteria:

<table>
<thead>
<tr>
<th>Criteria</th>
<th>POOR</th>
<th>FAIR</th>
<th>EXCELLENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Grounding; in the literature</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Extent and Quality of Secondary Information</td>
<td></td>
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<tr>
<td>3. Extent and Quality of Primary Research</td>
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<td>4. Extent and Quality of Referencing (note difference between a Bibliography and a Reference List)</td>
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<td>5. Use and application of appropriate marketing theory/models</td>
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<td>6. Attempts to build new theory or adapt traditional marketing theory</td>
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<td>7. Thoroughness and clearness of information analysis</td>
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<td>8. Information interpretation</td>
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<td>9. Degree to which the student has added value</td>
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<td>10. Written report;</td>
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<td>– Logical sequence of subject matter and headings</td>
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<td>– Quality of expression and grammar</td>
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<td>– Presentation</td>
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Comments:
7. ASSIGNMENT SUBMISSION PROCEDURE
Assignments must be handed in on specified days and times.

7.1 Late Submission
Late submission of assignments will attract a penalty of 10% per day or part thereof.

7.2 Special Consideration
Details relating to procedures for special consideration can be found at:
http://www2.marketing.unsw.edu.au/nps/servlet/portalservice?GI_ID=System.LoggedOutInheritableArea&maxWnd=_Current_SpecialConsideration

NOTE: You only have 3 days from the due date of the assessment/exam in which to lodge a special consideration form.

7.3 Assignment Format
(see group work section)

8. ACADEMIC HONESTY AND PLAGIARISM
The University regards plagiarism as a form of academic misconduct, and has very strict rules regarding plagiarism. For full information regarding policies, penalties and information to help you avoid plagiarism see:
www.my.unsw.edu.au/student/atoz/Plagiarism

8.1 Plagiarism
Plagiarism is the presentation of the thoughts or work of another as one’s own.*

Examples include:
- direct duplication of the thoughts or work of another, including by copying work, or knowingly permitting it to be copied. This includes copying material, ideas or concepts from a book, article, report or other written document (whether published or unpublished), composition, artwork, design, drawing, circuitry, computer program or software, web site, Internet, other electronic resource, or another person’s assignment without appropriate acknowledgement;
- paraphrasing another person’s work with very minor changes keeping the meaning, form and/or progression of ideas of the original;
- piecing together sections of the work of others into a new whole;
- presenting an assessment item as independent work when it has been produced in whole or part in collusion with other people, for example, another student or a tutor; and,
- claiming credit for a proportion a work contributed to a group assessment item that is greater than that actually contributed.†

Submitting an assessment item that has already been submitted for academic credit elsewhere may also be considered plagiarism.

The inclusion of the thoughts or work of another with attribution appropriate to the academic discipline does not amount to plagiarism.

Students are reminded of their Rights and Responsibilities in respect of plagiarism, as set out in the University Undergraduate and Postgraduate Handbooks, and are encouraged to
seek advice from academic staff whenever necessary to ensure they avoid plagiarism in all its forms.

The Learning Centre website is the central University online resource for staff and student information on plagiarism and academic honesty. It can be located at:

[www.lc.unsw.edu.au/plagiarism](http://www.lc.unsw.edu.au/plagiarism)

The Learning Centre also provides substantial educational written materials, workshops, and tutorials to aid students, for example, in:

- correct referencing practices;
- paraphrasing, summarising, essay writing, and time management;
- appropriate use of, and attribution for, a range of materials including text, images, formulae and concepts.

Individual assistance is available on request from The Learning Centre.

Students are also reminded that careful time management is an important part of study and one of the identified causes of plagiarism is poor time management. Students should allow sufficient time for research, drafting, and the proper referencing of sources in preparing all assessment items.

* Based on that proposed to the University of Newcastle by the St James Ethics Centre. Used with kind permission from the University of Newcastle.
† Adapted with kind permission from the University of Melbourne.

### 8.2 Other Resources, Support and Information

The University and the Faculty provide a wide range of support services for students, including:

- Learning and study support;
- Counselling support;
- Library training and support services;
- Disability support services;

In addition, it is important that all students are familiar with University and Faculty policies and procedures in relation to such issues as:

- Examination procedures and advice concerning illness or misadventure;
- Supplementary Examinations;
- Occupational Health and Safety policies and expectations;

For information and links relating to the above services, please see [note School web pages where this information is presented]

### 9. Continual Course Improvement

Each year feedback is sought from students and other stakeholders about the courses offered in the School and continual improvements are made based on this feedback. UNSW’s Course and Teaching Evaluation and Improvement (CATEI) Process ([http://www.ltu.unsw.edu.au/ref4-5-1_catei_process.cfm](http://www.ltu.unsw.edu.au/ref4-5-1_catei_process.cfm)) is one of the ways in which student evaluative feedback is gathered. Significant changes to courses and programs within the School are communicated to subsequent cohorts of students.
### 10. Course Schedule

<table>
<thead>
<tr>
<th>DATE</th>
<th>WEEK</th>
<th>TOPIC</th>
<th>CRAWFORD CHAPTER REFERENCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>24/7</td>
<td>1</td>
<td>Course Requirements</td>
<td>1, 2</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Introduction to New Product Development</td>
<td></td>
</tr>
<tr>
<td>31/7</td>
<td>2</td>
<td>Opportunity Identification and Selection</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Strategic Planning Projects</td>
<td></td>
</tr>
<tr>
<td>7/8</td>
<td>3</td>
<td>Concept Generation</td>
<td></td>
</tr>
<tr>
<td>14/8</td>
<td>4</td>
<td>Concept Generation</td>
<td>4, 5, 6, 7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DUE - Team Project Proposal</td>
<td></td>
</tr>
<tr>
<td>21/8</td>
<td>5</td>
<td>Concept Evaluation</td>
<td>8, 9</td>
</tr>
<tr>
<td>28/8</td>
<td>6</td>
<td>Concept Testing</td>
<td>8, 9</td>
</tr>
<tr>
<td>4/9</td>
<td>7</td>
<td>Sales Forecasting and Financial Analysis</td>
<td>17, 12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Product Protocol</td>
<td></td>
</tr>
<tr>
<td>11/9</td>
<td>8</td>
<td>Product Design and Development</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td></td>
<td>DUE – New Project Review</td>
<td></td>
</tr>
<tr>
<td>18/9</td>
<td>9</td>
<td>Developing Team Management</td>
<td>14, 15</td>
</tr>
<tr>
<td>25/9</td>
<td></td>
<td>STUDY BREAK</td>
<td></td>
</tr>
<tr>
<td>2/10</td>
<td>10</td>
<td>Strategic Launch Planning and Implementation</td>
<td>16, 17</td>
</tr>
<tr>
<td>9/10</td>
<td>11</td>
<td>Market Testing</td>
<td>18, 19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Launch Management</td>
<td></td>
</tr>
<tr>
<td>16/10</td>
<td>12</td>
<td>Public Policy Issues</td>
<td>20</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Corporate Social Responsibility</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>DUE – Team Project Reports</td>
<td></td>
</tr>
<tr>
<td>23/10</td>
<td>13</td>
<td>Team Project Presentations</td>
<td>-</td>
</tr>
<tr>
<td>30/10</td>
<td>14</td>
<td>Final Exam - (Details to be announced)</td>
<td>-</td>
</tr>
</tbody>
</table>