

How market research supports the new product development process

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Introduction

Market research is the way in which businesses find out about the needs of their customers. Beiersdorf is the business behind the well-known NIVEA brand and uses market research to reach its goal of being as close to consumers as possible.

Market research

Market research involves collecting and analysing data about customers and the market in general. It helps Beiersdorf to meet its customers' needs and thus secure the long-term future of the business. Research is linked into new product development to satisfy these needs.

Market research – details

Market research has two main purposes – to inform companies about consumers and markets and to give consumers the opportunity to make their views known to producers. Consumers' insights are what drive new product development. In an international business, the challenge is to find consumer wants and needs that are the same in different nations and cultures. The main types of research tools used to find information that could be linked to NIVEA Deodorant were: primary research - used to collect brand new data. This told researchers that women shaved their underarms more often and wanted to look after them in all seasons. Much of this was qualitative research – collecting views and opinions. secondary research – uses existing data. A consumer usage and attitude survey had been conducted a few years previously and there was an external study about the importance of fragrance products.

The market research showed that there was an unexplored market for a new product that addressed the idea of 'underarm beauty'.

Creating the product

Working with the research conclusions, the marketing team created product ideas. Several key features of the product emerged and the business needed to know which of these was most important. To test this, quantitative research (where returns can be measured) was carried out in France and Germany. Consumers were shown just one product concept each to gain their views. Concepts tested were:

- the core benefits of the product as a fragrant deodorant
- additional benefits such as the 'silky' feel to the skin
- relevance of the product to the target market.

After finding the 'winning' concept, marketers tested possible names, packaging and price.

Product testing

The next stage was to test the product on actual customers. The product was 'blind tested' by a group of target consumers for a week. This means that they could not form an opinion based on brand or image. They tested the new deodorant under one armpit and compared it with their usual brand under the other armpit. Results were very positive for NIVEA. NIVEA Pearl and Beauty was added to the range of products. The next stage is to advertise the product. This requires even more research before suitable media and messages are chosen. Even after the product is launched, research still goes on to track sales and success.

Conclusion

Beiersdorf needs to continue to market new products. These are based on its insights into consumer needs. Careful research and product testing mean that launches are successful and investors and customers kept happy.