

Developing new products

Introduction

In order to be a success, a business has to know its market. It has to know what its customers want. It then has to make the products that they will buy. Gillette has built its success on finding out what customers want. It then brings out new products to fit these wants.

First mover

Gillette operates in five main areas. Each has its own brand. These are:

- ▶ Gillette razors and shaving systems.
- ▶ The Right Guard brand of personal products.
- ▶ Duracell batteries and torches.
- ▶ Braun electrical goods.
- ▶ Oral-B dental care goods.

Gillette is the leader in several of its brand categories. This is because it has often been the first to bring a new product to the market. This gives it what is called 'first mover' advantage. Being the first to a market can let a business claim and keep a big share of that market. Gillette's very first product was the safety razor in 1901. This was safer than the 'cut-throat' razor then in use but still gave a clean shave. Gillette knows that it is important that new products really 'do the job'. Gillette used technology to develop a new product to meet what the customer wanted. This has been the key to the success of the business.



Research

Gillette is careful to find out what the market wants before it develops a product. To do this it uses three types of research.

- ▶ Market research that is qualitative. This may involve working with small focus groups or using surveys to find out about customer choices.
- ▶ Market research that is quantitative. This may involve large samples and data collected continuously.
- ▶ Technological research is used to find out if it is possible to make the product and make a profit.

Market segments

Gillette has split the market for shavers into two parts. One part is the 'shaving systems' market. This is where buyers want to buy a razor that they can use again and again, replacing blades as needed. The second is where buyers want a razor that can be thrown away after it is used. The second market is called 'disposables'. Both markets are then further split into 'premium' brands and 'standard' brands. Gillette produces a range of products so that there is one for each market part or *segment*.

Conclusion

Gillette's success, in all its product areas, is down to carefully finding out what customers really want and then being the first to give it to them. This involves using technology to develop new products.

