



## How market research supports the new product development process

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#### Introduction

Beiersdorf is the business behind the well-known NIVEA brand. It uses market research to help reach its goals. One of these is to be as close to consumers as it can. Market research is the way in which it finds out about the needs of its customers.

#### Market research

Market research involves finding out about customers and the market. It is carried out by collecting and analysing data. It helps Beiersdorf to meet its customers' needs. This helps to keep the business a success. Research is linked into new product development to meet needs.

#### Market research â€“ details

Market research has two main purposes:

- \* to inform businesses about consumers and markets
- \* to give consumers the chance to make their views known. These insights are used to develop new products. Beiersdorf is an international business. It must therefore try to find wants and needs that are the same in different nations and cultures. To do this it uses research tools:
  - \* primary research. This is used to collect brand new data. This told researchers that women wanted good underarm care. Much of this was qualitative research. This means collecting views and opinions.
  - \* secondary research uses data that exists. Beiersdorf used a survey about underarm products that had been carried a few years ago. There was a 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

The marketing team use the outcomes of the research for new product ideas. A number of product concepts emerged and the team needed to see which was strongest.

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. Did it work well as an underarm product?
- \* additional benefits. These include the 'silky' feel to the skin.
- \* how closely linked the product was to the target market. The 'winning' concept is used for further progress. The team tested names, how it should be packaged and price.

#### Product testing

The next stage was to test the product on real customers. The product was 'blind tested' by a target group for a week. The product was 'de-branded' so testers would not be swayed by brand or image. They tested the new product under one armpit and compared it with their usual brand under the other armpit. NIVEA's results were good. NIVEA *Pearl and*

*Beauty* was added to the range of products. The next stage is to advertise the product. This requires even more research to make sure adverts are effective. Even after the product is launched, research still goes on to track sales and success.

### **Conclusion**

To be a success, Beiersdorf needs to market new products. These are based on its insights into consumer needs. Careful research and product testing mean that launches are a success. This keeps both customers and investors happy.