



School of Marketing & International Business

MARK 402 CONSUMERS, TECHNOLOGY & PRODUCT DEVELOPMENT

Trimester One 2007

COURSE OUTLINE

Teaching of MARK 402

The course teacher is:

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How to Reach Me:

Feel free to drop by my office anytime you have a question. The main caveat is that those who have an appointment have priority, even over questions that would “just take a few minutes to answer.” (You would agree were you the person who had made the appointment). You also can contact me by telephone at x 5725.

The best way to get feedback that requires some thought, however, is to contact me by Email at james.wiley@vuw.ac.nz. There are at least two good reasons for using Email. First, I can give the answer some more thought than is possible when an immediate response is required. Secondly, there is a very good chance that if you have the question, then several others may have the same question. If it seems likely that your question is one that others may have, I can try to come up with a more general answer and distribute it to the entire class. For example, I have added some material to this syllabus from an Email response to a student’s question.

Objectives

- (1) To build the conceptual understanding and strengthen the critical skills of students through an examination of the literatures on new product development, diffusion of innovations, consumer behaviour, and technological innovation.
- (2) To foster student understanding of marketing management issues relating to new product development processes from idea generation through to commercialisation, and factors affecting success and failure of new product initiatives within organisations.
- (3) To develop student ability in evaluating the viability of new product and service ideas, including concept testing and commercial assessment.
- (4) To consider innovation, buyer behaviour and technology themes across industry types including fast-moving consumer goods, consumer durable, financial services, other services, and business to business.

Course format and workload

The course comprises seminar and discussion sessions, set readings, and assigned course work to assist learning and assessment. Sessions meet in **Monday 1:40 – 4:30 pm**. The class meets in **RWW 315**

Students are expected to spend around 12-14 hours per week **on average** in classes, preparation and assignments for MARK 402. The exact amount of time will vary depending on student capabilities and backgrounds, but an indicative balance is as follows:

	<u>Hours</u>
Class time	3
Reading & study	2 - 3
Assignment prep'	2
Course projects	4 - 5

Any student deviating significantly from these norms (apart from normal pressure points associated with the major assignment deadlines) should reassess the balance of their workload and, if necessary, discuss it with the course teachers.

Course Readings

Copies of journal articles and chapters from selected textbooks will be provided. The chapters will be taken from the following textbooks:

- New Products Management, 7th ed., Crawford, C. M. and C. A. Di Benedetto (2000) **(CDiB)**
- *Winning at New Products* (2nd ed.), authored by Robert Cooper **(RC)**;
- *New Product Development* by Moore and Pessimier **(MP)**, and
- Product Design and Development Ulrich and Eppinger **(UE)**.

- Other papers from professional journals will also be handed out. You are expected to have fully read and prepared notes for discussion on the readings assigned each week, as well as completing individual literature searches in the library.

As far as the class session is concerned, you need only focus on the assigned readings. **Refer to Appendix D for guidelines on preparing for class discussion.**

Method of assessment

MARK 402 is 70% internally assessed based on a written essay, two article critiques, four case/exercises, and a major project assignment. Work on the major project is turned in at two points during the semester. There is a brief mid-semester progress report (verbal and written) and a final report (verbal and written) due at the end of the semester. The remaining 30% are from the final examination.

While class participation is not formally graded, remember that “classes” of Honours are awarded based on an overall “quality of mind” judgment by the examiners. In this respect, the Honours paper teachers will take the adequacy of preparation and quality of participation in class discussions into account. As we progress through the semester, and are discussing a topic and assigned readings; if you have read some material in connection with the assignments that is relevant to the discussion, then I would expect that you would share that with the class.

Mark allocations for each assessment component are:

Written essay (described below)

10 pts.

Case/exercises (described below)	15 pts.
Article presentation and discussion (described below – 7.5 pts. each)	15 pts.
Final Product/Service presentation & report (described below)	
Verbal	5 pts.
Written	25 pts.
	30 pts.
Final examination (described later in term)	30 pts.
TOTAL	100 pts.

Essay

For the essay (see Appendix A), you should be looking for readings that go beyond those assigned for class. *The references of textbook chapters and assigned readings handed out will give you some pointers towards other sources*, but only a start. Data base searches also are a source for other citations, and the citations in those articles point to additional sources, etc. **Details of the essay are described in Appendix A.**

Cases/exercises

Four case/exercises are due during the term. The objective of these exercises is to introduce analysis tools that you will need for the major project. The four exercises provide examples of the following techniques:¹

1. Basic budgeting, margins, and forecasting, (2pts)
2. Scoring models for evaluating projects, (4 pts)
3. Conjoint measurement for screening product profiles, (4 pts)
4. A more advanced budgeting model. (5 pts)

Each of the exercises illustrates the use of a technique that you should work into your final project write-up. Exercises turned in late will be docked 1 pt. Incomplete exercises will also be docked 1 pt.

The exercises are due the week following the day the class day they are handed out. The first (basic budgeting) exercise will be due 28 July.

Article Critique

For the first article critique (see Appendix B), you will be assigned an article for your first critique. For the second article critique, you may use one of the articles not assigned for the first critiques, an article you uncovered for your essay, or you may choose some other article. However, if you choose one of your own, it should be of a quality and level exemplified by those on a list of acceptable articles that will be provided.

Article critique presentations will be made throughout the semester on assigned dates. Missed presentations will be docked 2 pts.

Major Project

You will do a major, individual project during the semester that involves developing (at a conceptual level) a new product. That is, the idea is to describe what you would be doing at each stage in the development of your product or service. There are no outright restrictions on what product (or services) you choose for your project, but some ideas are less likely to result in a successful write-up than others. The instructor reserves the right to wave you off a project idea on the basis of your initial report. The project and reports are described in Appendix C.

Penalties

Relevant penalties mentioned above and elsewhere are as follows:

Essay. No longer than 2500 words. No explicit penalty for being too long, but if you go much longer you probably will be redundant. (The idea is to make your points, not to make them over, and over, and over again. No penalty for being short, but if you are much shorter there is a good chance you will not adequately address the question.

In fairness to other students, there will be a .5 pt. / day penalty for turning in the paper late. Note: print your paper out well before class and avoid such common “problems” as a) erasing the file and not having the backup, b) having an irreparable printer jam, c) not being able to find a stapler, d) etc.

Cases/Exercises. Exercises turned in late will be docked 1 pt. Incomplete exercises will also be docked 1 pt. The exercises are due the week following the day the class day they are handed out.

¹ There is one exercise on concept writing that is largely done in class. It is not graded, but the written concept for your product or services is an important part of your project. The expectation is that based on your experience doing the concept writing exercise, the concept you provide for your product or services will be of a high standard, and it will be evaluated accordingly.

Article Critiques. Due on the date assigned. Missed presentations will be docked 2 pts. (Articles are scheduled to be presented as much as possible with topics covered in class and to distribute the presentations as evenly as possible over the semester. Missed presentations interfere with both objectives).

Project Presentations.

Initial verbal report, 5 minutes. One point will be deducted from the **final presentation** mark if the initial presentation deviates from 5 minutes by ± 15 seconds. Another pt. will be deducted if you read your presentation. Another point will be deducted if you do not cover the specific points covered in Appendix C. If you practice, there is no reason any points should be deducted on the basis of the initial verbal report.

Initial written report. In fairness to other students, 1-pt. will be deducted from the initial written report if it is turned in late. Otherwise, it is not directly graded. It will be returned with comments. Grading of the final written report will reflect in part whether you adequately respond to the comments on the initial report.

Final verbal report, 10 minutes. Two points will be deducted from the final verbal report mark if the presentation deviates from 10 minutes by ± 20 seconds. Otherwise, the presentation will be graded on the basis of the quality with which you cover the points mentioned in the syllabus and a mark form that will be handed out during the second half of the semester.

Final written report. In fairness to other students, 2 pts will be deducted from the written portion if the paper is turned in late. Otherwise, the report will be graded on the basis of the quality and coverage of the points listed in the syllabus and a hand out provided during the second half of the semester.

Mandatory Course Requirements

Students must obtain at least 50% in the final examination, and 50% overall, to obtain a pass grade for this course.

Email

It is **required** that you have an email account and that you periodically check your Email during the week before class. Materials for some assignments will be provide only by Email and occasionally important messages will be sent regarding class meetings and other topics.

Appendix A

Write an essay of no more than 2500 words selecting from the topics below. Keep in mind that the purpose of an essay is for you to develop *your own argument* regarding the essay topic. However, your essay must show evidence of independent library research and some reading (at least six salient references) around the topic under discussion. The due date for this essay is beginning of class 19 March.

Due date for essay: Beginning of class 19 March

Essay Topics

Your essay must address one of the following two broad positions.

1. It is said that the greatest impact of the Internet will be on Business-to-Business commerce. If so, the greatest changes in *New Product Development* may be in the B-to-B sector. Discuss possible impacts of the Internet on the process of NPD within the B-to-B sector.
2. An executive was heard to say, “This talk of ‘stage-gate processes’ is fine for products, but it has little relevance to developing new services.” Discuss. Take either a “pro” or a “con” position.

A good way to start is to make an outline of the essay structure, for example, using Word outline. That gives you a check on logical flow. You should be able to tell from the outline whether the paragraphs are in the proper order and whether one leads to the next in a logical fashion.

- Generally, the first sentence of the paragraph should cover the main point or purpose of the paragraph. If the paragraph has more than one purpose, try to break it into two or more paragraphs.
- Next in order are material, arguments, or evidence that support the main point.
- Examples that illustrate supporting material, arguments, or evidence are placed at the end of the paragraph.
- Regarding the structure of sentences, the noun and verb should occur as closely together as possible. (*The PLC is important. **Not:** The PLC, which has been around a long time, and has seen wide use, in many contexts, continents, industries, product categories, and so forth, is important*).
- Place the material you want to emphasize at the stress position in the sentence. The stress position is at the end of a sentence. You want to emphasize **new material** typically. For example, assuming you have introduced the PLC, and the point you want to make is that it is important, you would have as a first sentence of a paragraph (*The PLC is important. **Not:** An important concept is the PLC*).
- In the above illustration, when you start the sentence with the sentence “*The PLC is important*” you have accomplished two things. First, you have made the point that the purpose of the paragraph is to argue that the PLC is important. Second, the notion that it is important is no longer new information. Subsequent sentences should provide new information that supports that point.
- The next sentence, for example, might be: (*It is important because it explains why firms must develop new products; Or: It is important for three reasons. The first reason is: Or, It is important for many reasons. One important reason is*). Note that the stressed part of the previous sentence is no longer new and has been moved the front of the current sentence. The

new information in the current sentence is a reason for why the PLC is important. The reason is placed in the stress position.

- The same pattern applies to the following sentence. (The PLC is important. *It is important because it explains why firms must develop new products. New products must be developed because competitors enter the firm's markets, offerings become more homogeneous, prices decrease, and margins are reduced.*

Appendix B

Article Critique

An important element of Honour papers is the ability to select and critique an article on a relevant topic (for example, relevant to your Honours thesis, or to New Product Development). You will do two article critiques during the semester. The instructor will provide a “list of acceptable articles” and assign your first presentation article and dates for the presentations (with the aim of making the topics of the critiques relevant to the topics to be discussed in class and distributing the presentations over the term).

For the second critique, you are to select an article on a topic of interest to you. Articles on the “list of acceptable articles” not assigned for the first presentation are worthy of critique. Other good candidates for articles may be found in the *Journal of Product Innovation Management* (HF 5415.153 J891), *Journal of Marketing*, *European Journal of Marketing*, *Journal of Consumer Research*, and many other journals of equal quality.

Examples of topics relevant to technology and NPD include:

- Identifying consumer needs and wants,
- Consumer adoption processes (end-user or business),
- Opportunity Identification,
- Diffusion of innovations,
- Ideation
- Concept development
- Concept evaluation
- Product design
- Determinants of the success of new product development programs
- Differences between new product development processes between:
 - Large firms vs. small firms,
 - Goods vs. services,
 - Consumer durables vs. non durables,
 - Different types of services, e.g., financial, health, recreation, entertainment, etc.,
 - B2B vs. B2C
 - Hi tech products vs. low tech,
 - Large markets vs. small markets.
 - New Zealand vs. other countries.
- Forecasting demand for new products
- Management of product launch.

Other topics may be acceptable provide they relate to the topic of the course.

You must confirm which article you will use for your second presentation on, or before, April 2. Claim to an article will be on first choose, first get basis. If two or more people simultaneously indicate they want to do an article, the article will be assigned on a random (coin toss) basis.

Critique does not necessarily mean that you have to be negative. You may agree with an article. However, there are usually limits to what an article says, or to its applicability, and these may be pointed out.

When developing your presentation, imagine that you are working in the NPD group of a company. You and your colleagues are NPD professionals. It is common among many professional groups to have “journal clubs.” Typically, journal clubs meet every few weeks and one member of the group presents a paper that he or she thinks the other members would find professionally useful or interesting. Your job as the presenter, then, is not merely to present the content of the paper, but to communicate to your colleagues what you think they should get from the material. Alternatively,

think of yourself as a “change agent.” Think in terms of picking an article that you think might move your work colleagues in the direction you want. Presumably, this would be in the direction of more effectively developing new products. Then think in terms of writing a memo to them explaining why they should read the article and what you think they should get out of it.

You should use overheads and handouts as part of your presentation. The handouts should include a maximum one-page synopsis of the article. Note: if your presentation involves discussing tables with more than five columns or rows, include the table as a handout. Hand-in copies of PowerPoint slides, hand-outs and the one page synopsis at the beginning of your presentation.

Appendix C Major Project

You are to prepare a report which:

1. Identifies a target market.
2. Provides an estimate of the size of the target market.
3. Suggests unfulfilled wants, or unsolved problems, of the target market.
4. Identifies a new product or service idea that might fulfil the want(s) or solve the problem(s).
5. Develops a core benefit proposition for the idea and express the idea in concept form, or as a set of product concepts,
6. Evaluates the concept for commercial viability. The concept may be your own idea, and idea suggested by others, or on behalf of a company. However, it may not be an existing product, or one for which a new product development case already exists.
7. The project must describe procedures for evaluating the attractiveness of the concept from the perspective of a target customer’s viewpoint.
8. It must provide a decision tool (in the form of a spreadsheet) that may be used to forecast demand for the new product or service and evaluate its economic viability.
9. It must outline the major steps to take the product or service concept through to a final go/no go decision (including steps that provide information required by the decision tool), and report the results of a preliminary investigation,
10. Provide a decision tool to facilitate a go/no go decision at least one stage of a NPD process, and
11. Provide recommendations on the critical success factors likely to impact on the ultimate outcome of your chosen idea, highlighting in particular the key elements of launch plan.

The Project consists of an Initial Report and the Final Write-up.

Initial Report

The initial report consists of a short verbal presentation followed by a short written report. The verbal part consists of a **5-minute presentation** describing the good or service. Specifically, points 1-5 above should be covered in the initial presentation.

The initial verbal presentation will not be marked directly. However, 1 pt. will be deducted from the *final* verbal presentation grade if the initial presentation deviates from 5 minutes by more than 15 seconds. Another point will be deducted if the following points are not covered during the presentation.

- *Do not read your presentation* (either written out in detail or off detail notes). For short presentations, such as required for this course, you should be able to present using overheads or Power Point slides that consist of *key words*. Do not read off the slides. They should provide talking points only. You should practice your presentation so that you may do it working off the talking points.

- The presentation will cover: (1) a description of the assumed target market, including (2) an initial estimate of its size, its (3) hypothesised unfulfilled needs or unsolved problems, (4) the core benefit proposition, and (5) the concept(s) that will deliver the benefits. Present your material in order, i.e., (1) through (5).ⁱⁱ
- The presentation should have a minimum of six PowerPoint slides. The first slide should have your name and a name for the new product or service. At least one slide for each of the five points above should follow.

The objective of the presentation is to inform your colleagues of the nature of your project. I hope that your colleagues will let you know of information they come across that might be relevant to your project (and that you will do the same for them).

The initial write-up also will not be directly graded. It will be returned with comments. The material in the initial write-up will appear in the final write-up, presumably in a form that responds to comments.

The write-up identifies the new product or service idea to be evaluated. It also should include:

- All the items covered in the verbal presentation, possibly with additional detail.
- Identification of competing products or services.
- Identification of potentially competing firms.
- Discussion of potential distribution channels.

In unusual cases, the instructor may suggest that the product or service you are considering is problematic from the standpoint of writing a good project report. For example, it may be the sort of product or service for which it would be extremely difficult to come up with a forecast of demand. It is best to discuss your thoughts on new products or services as soon as possible with the instructor. Due dates for the initial report (verbal and written) is:

Initial project
Presentation due: 2 April
Write-up due beginning of class 23 April

In fairness to other students, 5% will be deducted from the final written report if the initial write-up is turned in late. Note that the initial write-up requirements are pretty basic. There should be no reason for turning in the initial report late.

Final Report

The final report consists of a verbal presentation and the final written document describing the project.

The **verbal presentation** is a 10-minute report. The report covers all the material covered in the initial report (presumably upgraded and revised on the basis of comments on the initial report; and insights, reading, and work done during the second half of the semester). It also should go through

ⁱⁱ Therefore, it would be possible to lose 3 (of 5) points from the verbal part of your final presentation grade should the initial presentation take too little or too much time, it is incomplete, and you are reading the presentation. You can assure you are within time limits by practicing. Only extreme carelessness results in an incomplete presentation. The most likely reason for losing a point is that you read your presentation. If you practice, you will not need to read.

the development process stage by stage and describe what information will be needed at each stage, how it will be gathered, and how it will be used to make the go/no-go decision at that stage. It should also include specific performance criteria for the product's performance at the end of the first year and procedures that will be used to collect the required information.

Note: do not read your presentation: work off slides that have only talking points. Practice your talk. You have to cover a considerable amount of material, but it is possible to cover it all if you organise it carefully and practice enough to follow your own organisation. Two points will be deducted if the presentation differs from 10 minutes by ± 20 seconds. An additional evaluation sheet describing other evaluative criteria will be distributed before the presentation date.

The **write-up** describes a staged NPD development process of the good or service. It will describe what is to be done during the respective stages, e.g., what type of research should be conducted (taste test, in-home use test, survey, simulated test market, experiment, etc.), what information should be collected (what questions to ask), and how you would analyse the information to reach a go/no-go decision. At minimum, you want to gather information that allows you to estimate trial rate, set a price, estimate costs, and estimate dealer acceptance for the product. Information regarding these issues may be collected at different stages, but the earlier the stage the better (even if it will be less accurate). Where initial estimates are made at early stages, it is of course feasible to collect better information at later stages.

You do not have to actually do the research. You merely need to describe how you would gather it. For example, describe the population of people you would select respondents from and how you would select them. Describe the questions that you would ask and how you would go about doing the asking (focus group, survey, experiment, etc)

Although you generally do not have to actually do the research you describe in your project write-up, there are at least three important exceptions:

1. You need to get "real" information and use it to make a forecast of market potential for your product.
2. You need to detail actual competitors for your product or service.
3. You need to detail actual channels of distribution for your product or service.

An additional handout specifying what should be in the final report will be distributed later in the term.

Final Project presentation: 21 May
Final Project write-up: 28 May

Appendix D

Class Preparation

Regarding the assigned readings, aside from reading and understanding the material you should do the following other things.

- Be prepared to provide answers to the questions attached to each reading in the handout set. In answering the question, you should not simply read the part of the article or chapter that answers the question. You may rely on notes to answer the questions, but try to put the answer in your own words. Don't simply copy the material to notes and then read the notes.
- As you work through the readings:
 - Try to come up with examples from your own experience that illustrate points in the article.
 - Especially if New Zealand is not your native country, try to come up with illustrations from your native country, or the country with which you are most familiar.
 - If you have a specific interest, such as e-business, agriculture, or whatever, try to come up with illustrations from that area.
 - If the illustrations are somewhat dated, as they often are, try to come up with illustrations that are more current.
- Continually ask yourself the following questions:
 - a) "Suppose I was a manager [in a specific industry] and I was in the process of developing a new product: How **specifically** could I use the material in the article? That is, in what settings would it be relevant and useful? What tasks would I do differently having the information? Exactly what would I do differently on the basis of the information in the article?"
 - b) "Suppose I was an academic researcher specialising in NPD: Given what I know up to this point, what would be the **logical next research steps** that would follow from the article? That is, "where might we go from here"?"
- Relate the current reading to previous ones and to previous class discussion.

The above are ways for you to test your understanding of the material in the articles and chapters and to fit the material into your own experience.



Faculty of Commerce and Administration Offices

Railway West Wing (RWW) - FCA Student and Academic Services Office

The Faculty's Student and Academic Services Office is located on the ground and first floors of the Railway West Wing. The ground floor counter is the first point of contact for general enquiries and FCA forms. Student Administration Advisers are available to discuss course status and give further advice about FCA qualifications. To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

Easterfield (EA) - FCA/Education/Law Kelburn Office

The Kelburn Campus Office for the Faculties of Commerce and Administration, Education and Law is situated in the Easterfield Building - it includes the ground floor reception desk (EA005) and offices 125a to 131 (Level 1). The office is available for the following:

- Duty tutors for student contact and advice.
- Information concerning administrative and academic matters.
- Forms for FCA Student and Academic Services (e.g. application for academic transcripts, requests for degree audit, COP requests).
- Examinations-related information during the examination period.

To check for opening hours call the Student and Academic Services Office on (04) 463 5376.

General University Policies and Statutes

Students should familiarise themselves with the University's policies and statutes, particularly the Assessment Statute, the Personal Courses of Study Statute, the Statute on Student Conduct and any statutes relating to the particular qualifications being studied; see the Victoria University Calendar or go to www.vuw.ac.nz/policy.

For information on the following topics, go to the Faculty's website www.vuw.ac.nz/fca under Important Information for Students:

- Academic Grievances
- Academic Integrity and Plagiarism
- Student and Staff Conduct
- Meeting the Needs of Students with Impairments
- Student Support
- Notice of Turnitin Use

Manaaki Pihipihinga Programme

Manaaki Pihipihinga is an academic mentoring programme for undergraduate Māori and Pacific students in the Faculties of Commerce and Administration, and Humanities and Social Sciences. Sessions are held at the Kelburn and Pipitea Campuses in the Mentoring Rooms, 14 Kelburn Parade (back courtyard), Room 109D, and Room 210, Level 2, Railway West Wing. There is also a Pacific Support Coordinator who assists Pacific students by linking them to the services and support they need while studying at Victoria. Another feature of the programme is a support network for Postgraduate students with links to Postgraduate workshops and activities around Campus.

For further information, or to register with the programme, email manaaki-pihipihinga-programme@vuw.ac.nz or phone (04) 463 5233 ext. 8977. To contact the Pacific Support Coordinator, email pacific-support-coord@vuw.ac.nz