



# NEW PRODUCT DEVELOPMENT CHECKLIST

# TOO MANY NEW PRODUCTS FAIL

Don't let yours be among them.

More than 30,000 new products are launched each year, but **80% of them are considered failures**. Why do so many products fail?

While there are a variety of reasons that a product might fail, it often boils down to this: In too many cases, companies fail to adhere to a rigorous new product development (NPD) process.

For their new products to succeed, companies must answer specific questions at each phase of the NPD process, based on data gleaned from carefully selected market research studies.

This guide will help you stay on track with the NPD process by:

- Defining the key phases of NPD
- Outlining the questions you need to answer at each phase
- Identifying the research approaches you can use to gain the insight you need



**\$1.55M**

Average revenue generated from product development  
(n=210)



**15X**

Average return on product development investment  
(n=210-241)



**1.5 MONTHS**

Time saved due to product development insights  
(n=158)

Source: Hanover Research

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# THE NPD PROCESS

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To develop an effective product, businesses should follow a stage-gate new product development process.

This method protects product investment by developing projects in a measured, step-by-step process that requires them to collect essential information and answer critical questions before moving to the next phase, thereby minimizing risk and increasing the likelihood of a successful product launch.



## PRELIMINARY: MARKET ANALYSIS

### What is our current market position?

Before developing and releasing a new product, your company should first understand its current position in its respective market. With a brand audit or a market analysis that includes specialized market size modeling and competitive monitoring, your company can position itself to identify opportunities for further growth.

### WHAT TO DO:



#### Industry Trend Briefing

Analyze industry news to identify trends and forecasts for your industry.



#### New and Adjacent Market Analysis

Investigate and identify new opportunities in your current market and adjacent markets.



#### Competitor Monitoring

Create profiles for each of your competitors, focusing on their overall business health, product portfolios, and additional company-specific information.



#### Market Size Modeling

Create a model of your target market to understand market size, growth rates, sales volumes, pricing, and market share.



#### Brand Audit

Evaluate your brand's health by studying customer awareness, impression, prior usage, purchase intent, preference, and Net Promoter Score® (NPS).

### WHAT TO KNOW:

- I understand the size of my current market.
- I have conducted a review of my existing portfolio.
- I have identified my typical audience.
- I understand the role of my products in my industry.
- I understand my market saturation level and who my key competitors are.
- I have analyzed industry trends and understand where my market is heading.
- I have conducted a study of adjacent markets and understand opportunities for cross-selling.
- I have identified opportunities for growth based on industry trends.





## PHASE 1: IDEA GENERATION

### What new offerings could we sell?

Once your company has defined broad growth opportunities, you can begin brainstorming potential concepts. By reaching out to your audience and employees, your company can generate a rough list of product ideas that might work well with your existing audience or in a new or adjacent market.

### WHAT TO DO:



#### Customer and Employee Surveys

Gather feedback from your customers and employees to understand their perception of unmet customer needs and opportunities.



#### Adjacent Market Analysis

Investigate and identify new opportunities in your adjacent markets.



#### Product Portfolio Review

Assess your products' current level of success to identify future opportunities and potential risks to avoid when creating new products.



#### Market Drivers Analysis

Assess the viability of your potential product or service by analyzing market demand, size, trends, and competitor strength.



#### Attitude and Usage Studies

Gain a greater understanding of your market strength by evaluating customers' general attitude toward your products and their use of them.



#### Voice of the Customer Interviews

Gather feedback from your customers to understand how they respond to your potential product concepts.

### WHAT TO KNOW:

- I understand the unmet needs of my customer base and what resources are available to them.
- I understand the extent of resources available to my customer base.
- I have reached out to my employees to understand our portfolio needs.
- I have generated a list of ideas that best fit potential growth opportunities.



## PHASE 2: CONCEPT TESTING

### Which are the most promising product concepts?

Once you have gathered a list of viable ideas from the initial brainstorming process, you can begin to evaluate them to identify the one that is most promising. By reaching out to your target audience and screening ideas by criteria such as ROI, affordability, and customer demand, your company can focus on the product or concept that best aligns with market needs.

#### WHAT TO DO:



#### Concept Testing Surveys

Gather feedback from your audience to inform further refinement to your concept.



#### Voice of the Customer Interviews

Integrate customer feedback into your decision-making by speaking with your customers.



#### Focus Groups

Bring customers together for a preliminary guided discussion about the product before it launches.



#### Customer Satisfaction Surveys

Gather feedback from your customers to understand their overall feelings about your concept and how it can address their pain points.

#### WHAT TO KNOW:

- I have identified the strengths of each concept and why they resonate with my customers.
- I am aware of the potential pitfalls I may encounter for each concept.
- I have formally evaluated the strengths and weaknesses of all concepts against each other.
- I have identified which idea has the strongest feasibility and market potential.
- I am starting to become aware of how I may further improve the winning concept.



## PHASE 3: PRODUCT REFINEMENT

### How do we move from concept to product?

Upon finalizing the product type, proceed through a repetitive loop of product development and improvement to take the idea from the initial concept into a refined working prototype. At this stage, your company can investigate the design specifications to pursue and begin to specify manufacturing methods.

### WHAT TO DO:



#### Feature and Concept Conjoint Analysis

Evaluate which features your customers want in your new product and which they prioritize.



#### Pricing Optimization Study

Determine the price to set for your product by analyzing how demand varies at different prices.

### WHAT TO KNOW:

- I understand the unmet needs of my customer base and what resources are available to them.
- I understand the extent of resources available to my customer base.
- I understand the price range available to my target audience.
- I have reached out to my employees to understand our portfolio needs.
- I have generated a list of ideas that best fit potential growth opportunities.



## PHASE 4: MARKET WARMING

### Which customer segments should we launch to first?

Market warming is key to gaining momentum before a larger launch. Tap early adopters for feedback that can guide messaging to inform brand strategy, and pinpoint any needed product refinements to be addressed before launch. This process includes value proposition development and other final preparation work for the launch, such as the deployment and evaluation of pre-sale campaigns.

### WHAT TO DO:



#### Brand Message Testing

Ensure your marketing campaigns drive ROI by testing message concepts with customers.



#### Focus Groups

Bring customers together for a final guided discussion about the product before it launches.



#### Product Testing

Collect data on customers' potential usage behavior, preferences, and reactions on the product by allowing them to use the product before it launches.



#### Go-To-Market Strategy

Specify how you will reach target customers and be competitive in your market by creating a blueprint for market entry.

### WHAT TO KNOW:

- I have evaluated how competitors manage the design and marketing strategy for their products and have identified how I want to differentiate myself.
- I have developed a broad value proposition model for my product, including any taglines and slogans.
- I have identified the ideal look, feel, and packaging for my product.
- I have developed a final prototype for my product.
- I have run my final prototype against my target audience and identified where I need to make final adjustments.
- I have made final tweaks to my product, features, and packaging.
- I have identified who my early adopters are likely to be.
- I have conducted a pre-sales campaign within my early adopters to build momentum.





## PHASE 5: PRODUCT LAUNCH

### How do we optimize our sales and marketing strategy?

Once you have fully developed and tested your product, it is ready to go to market. Finalize and communicate the sales and marketing strategy – including targeted messaging to audience segments – to your sales and distribution teams.

#### WHAT TO DO:



#### Customer Segmentation Study and Cluster Analysis

Study which customer groups or segments are most likely to buy your product.



#### Go-To-Market Strategy

Update your strategy based on your initial findings to ensure you reach your target market and can differentiate yourself from competitors.



#### Event Database

See if customers are responding to your campaigns and other company-sponsored events centered around the product.



#### Social Media Monitoring

Study your brand sentiment and what your audience is saying about your product by analyzing your social media platforms and mentions.

#### WHAT TO KNOW:

- I have conducted a customer segmentation study to determine how to best market to specific subsegments.
- I understand my target audience: which industry associations they belong to, which trade shows or events they attend, which publications they read, and which thought leaders they respect.
- I have taken account of all meaningful marketing channels and made sure I am present in all of them.
- I have identified which sales and distribution channels are most likely to resonate with my target audience.
- I have made sure that my social media channels have properly hyped my product and have been tracking consumer engagement.



## PHASE 6: PRODUCT REVIEW

### What areas can we improve

**or enhance?** Following the product launch, evaluate the success of your product to identify any opportunities improvement and to further optimize sales and marketing.

### WHAT TO DO:



#### Pre- and Post-Testing

Examine how customers' feedback about your product before launch compare to customers' feedback post-launch.



#### Lost Customer Surveys

Reach out to lost customers to understand why they have discontinued using your product, analyzing the specific pain points they encountered.



#### Win/Loss Analysis

Evaluate won and lost sales opportunities to determine your product's go-to-market impact and how it compares to competing products.

### WHAT TO KNOW:

- I have conducted a win-loss analysis to identify areas where I can further optimize my sales strategy.
- I am keeping track of customer satisfaction via an email campaign or a customer satisfaction survey.
- I continually gather feedback from my customers and keep track of opportunities to improve.
- I have started to brainstorm other ideas for my next new product launch.





# ABOUT HANOVER RESEARCH

We leverage a deep understanding of your business challenges to provide critical intelligence that helps you uncover new opportunities, minimize risk, and accelerate growth.

## OUR CORPORATE SOLUTIONS

### MARKET ANALYSIS

Drive growth and outperform competitors through targeted exploration and analysis of hard-to-quantify markets.

- Market Entry Strategy
- Market Segmentation
- Market Penetration Strategy
- Merger and Acquisition Opportunity Analysis
- Trend Analysis
- Competitive Analysis
- Market Share Identification

### PRODUCT LIFECYCLE

Optimize each stage of a product's lifecycle from ideation, development, launch, and marketing.

- Product Lifecycle Management
- Pricing Strategy
- Product Development
- Product Message Testing
- Product Portfolio Review
- Channel Strategy
- Package Design
- Customer Needs Assessment

### CUSTOMER EXPERIENCE

Understand the complex customer journey to pinpoint problem areas and uncover opportunities for high-impact improvement.

- Voice of the Customer
- Buyer Persona
- Consumer Decision-Making Process
- Customer Satisfaction
- Customer Segmentation
- Customer Journey
- Customer Needs Assessment
- Lead Scoring
- Pathway to Purchase

### BRAND STRATEGY

Identify and measure the most important metrics for assessing brand and cultivating effective messaging.

- Brand Equity
- Brand Tracking
- Brand Awareness
- Brand Development and Positioning
- Brand Perception
- Content Marketing

## OUR BENEFITS



### EXPERT

200+ analysts with advanced multiple methodology research expertise



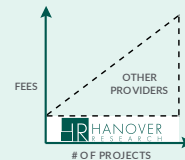
### FLEXIBLE

Ongoing custom research agenda adapts with organizations' needs



### DEDICATED

Exclusive account and research teams ensure strategic partnership



### EFFICIENT

Annual, fixed-fee model shares costs and benefits



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