

Shelby Davis

NEW PRODUCT DEVELOPMENT BASED ON DEMAND

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New Product Development Based on Demand

Davis, Shelby

Satakunta University of Applied Sciences

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Supervisor: Reijo Koivula

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The purpose of this thesis was to determine how to develop a new product based on demand within a target market for an international company. Specifically looking at developing a new product line in an already developed brand, Alpha Performance. The research I have conducted in the following topics may help Alpha Performance if they choose to use my findings to create a one of a kind woman's clothing line based on the demands of the Finnish market: target market research, product demand research, and the research completed to design a clothing line.

The theoretical part of the thesis consists of subjects such as product demand, generating a target market, new product development, and the factors which affect all of these. My research was done with the intentions of gaining knowledge to successfully create and launch a four piece woman's clothing line for the international brand Alpha Performance. A group of 50 people took part in my research from the aspect of questioning and surveys and all answers were recorded and taken into careful consideration while creating this thesis and research.

The application part of the thesis was also combined with the ideas and topics learned during studies. This section of the thesis involved evaluating the current situation of the clothing company Alpha Performance, while also providing research to prove how to enhance the brand which was already created. The thesis is based on the final suggestion of a four piece woman's clothing line which Alpha Performance could launch in December 2014. The marketing research which took place included the following: demographic market aspects, psychographic market aspects, and product demand research. The survey that took place was based on Maslow's hierarchy of needs with the combined aspect of the "wants" that the target market felt were missing from the current competition.

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1 INTRODUCTION

This thesis is written to show specific research and results that were found on the topic of developing products based on demand within a target market. The company involved in this case is Alpha Performance, a United Kingdom based company with locations around the globe. Alpha performance has shown to be successful in the men's performance clothing market in countries such as: England, Germany, USA, Spain, Italy, Croatia, and Dominican Republic. If Alpha Performance chooses to use these findings, it could possibly expand their reach to the public, by not only focusing on the men's market, but also the Scandinavian woman's market. The expansion into the women's market that is described in this thesis talks specifically about expanding into the women's performance clothes market. From there, Alpha Performance could take the research much further and branch out in many different directions.

1.1 Case Company: Alpha Performance

This thesis is based on the idea to work with a company here in Finland called Alpha Performance, which is an international performance clothing brand specializing in American football uniforms, hockey uniforms, and soccer uniforms. Even if this is what Alpha Performance is currently specializing in, they also have branched out to offer Olympian uniforms and also children's sport uniforms within the above mentioned areas. Alpha Performance has been a company in Finland since December of 2014, but has been in business since 2007 in the United Kingdom and several other countries which were listed above. Alpha Performances main goal is to provide quality performance wear to sports teams around the world, at a profitable but below average price. Alpha has been able to follow through with their goal by finding specific suppliers who work with larger companies, which means that the products are similar to name brands but Alpha Performance doesn't create as high of a markup as these major names. The manufactures of Alpha Performance's products also create many products for Nike and Adidas. Alpha Performance depends on the consumers to notice the quality of the products and the similarities to name

brands to keep their brands name creditable and the market share growing exponentially. Alpha is mostly focused on college level hockey, soccer, and American football teams in Europe, but have also branched out onto other continents. They create items such as the uniforms teams wear during home games, away games, practices, cover-up uniforms, and the clothing that teams wear when not playing but showing their support for the team. Alpha performance has also began to create supplements for men athletes such as, protein powders and amino acids. But one thing that Alpha Performance currently does not have to offer to their market is a woman's clothing line, which is something that they would like to implement by the end of 2014. After noticing the potential profit Alpha Performance could gain from designing and offering a women's performance clothing line in the European market, specifically in Finland, it was agreed upon that research would be conducted to create a four piece design set for woman within the specific market of northern Europe. The target market was to be determined as well, since the market for men's clothing differs from what the woman's target market would be. It would be the same demographically, but it wouldn't contain the same psychographics.

Extensive research was conducted in order to successfully launch this side of the clothing company in December of 2014, which has been conducted prior to this thesis while being supervised by the managing partner, Xavier Andre. All pieces of research were brought to Xavier Andre's attention before being conducted to make sure it was in the best interest of Alpha Performance and the overall goals of this thesis. The research that was conducted was intended to be completed in a new and innovative way, which is touched upon in many sections of this report. Multiple types of research were conducted with different styles of theoretical research, as well as applicative research. The topics of the research include the following: Demographic research, psychographic research, consumer profiling, local demand, product demand, market demand, and all aspects of the new product development lifecycle. All of the findings from the applicative and theoretical research are the basis of this thesis and the woman's clothing line which was created and released in December 2014.

The overall goal of the research is to complete a four piece clothing line to help enhance Alpha Performance's success in the Northern European market. Since the company is already established in the men's sportswear department, this has the possibility to open up an entire new brand for Alpha Performance and raise revenue for upcoming years. Focusing on woman's recreational athletic wear could also open up new opportunities for Alpha Performance to create a men's recreational athletic line. That would be something to look into in the future, but it just shows how Alpha Performance has the chance to build off this one project and create a much larger company with a much larger scale of products that they can offer the market. Alpha Performance is gaining a larger amount of opportunity to take over a significantly larger portion of the market share.

2 DETERMINING A TARGET MARKET WITH THE USE OF MARKET SEGMENTATION

When deciding on a target market, there are many different types of research which need to take place. Some of these include deciding on demographics and psychographics. Identifying the correct target market is crucial to the marketing aspects of a business, so getting the target market correct as soon as possible will be the most beneficial to Alpha Performance. The main point of a target market being that, without a specific target market, the marketing strategies will have no focus. (Sexton 2006, 88).

2.1 Demographic Segmentation

Demographic segmentation is used as a way to define and differentiate a large group of people based on certain characteristics. While deciding what the perfect target market is for a company, or brand in this case, a few key things need to be determined: Population, Wealth, Age, Sex, and Labor (Gitman 2008, 299). Some countries governments will actually place this information online as public record, so while researching it would be a great place to start (SBA

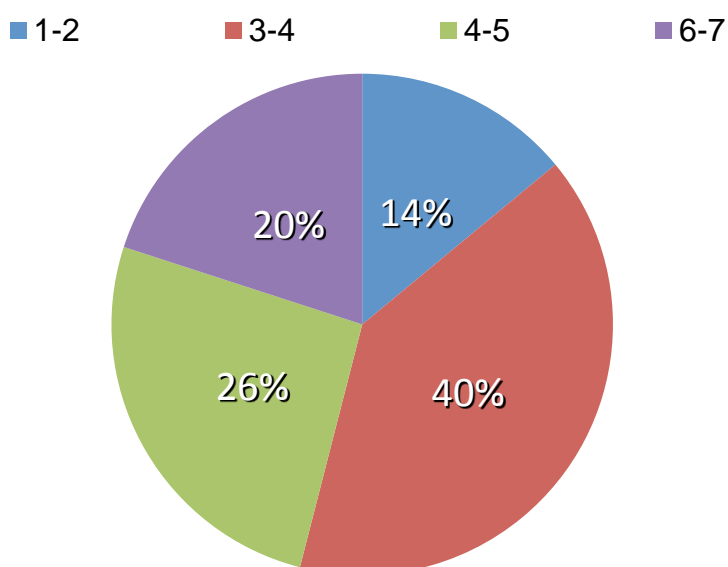
2014). Much of this data is hidden within government databases but can also be determined by visiting local libraries. Other information can also be found by searching online or conducting research first hand in the target demographic a company is aiming to break into. To successfully understand the demographics, all different resources should be utilized to compare answers. An easy way to compile all of the data from the options listed above is to create a database which is private to a company, but holds all the information from other sources. This can take a significant amount of time, but also cut down the opportunity for error.

When applying this information to this specific case, it has been determined that Alpha Performance will be targeting woman for this clothing line, specifically ages 18-28. This age range was chosen because it had the largest amount of potential customers throughout Finland, not only for the age but the amount of people in this specific age group who claim to be physically active. So looking at the demographics specifically for Finland, according to the CIA website, is that there is approximately 313,621 people who fit into this category. This is about 6% of the entire Finnish population. (Central Intelligence Agency 2014).

After the surveys which were conducted on 50 random people at SAMK, within our target age range and sex, I've found that 86% (43 out of 50) work out at least twice a week. If I was to take this statistic and match it with the population of 313,621 woman in Finland within our age range, this would mean that there are approximately 269,714 possible customers according to our research which has been conducted. This isn't to take out possible customers within this age range that buy workout clothes but do not work out multiple times a week. Now there is a margin for error within these numbers because of the fact that the resources were not in place to be able to conduct the research with a large enough sample size. Also it needs to be noted that the amount of time per week that woman are physically active, from the ages of 18-28, changes quite often based on the time of year or events that are coming in one's life. For example: Weddings, summer vacations, or New Year's resolutions.

This statistic is one that Alpha Performance will have to adapt to and base product launches off of to create the greatest amount of sales.

As seen in the graph 1.1, it is representing the feedback which was received from the 50 surveys which were handed out. The graph shows how many days a week people who fit into the target market do some sort of physical activity and need performance clothing to suit their needs. Even with the chance of these women`s answers being exaggerated, performance wear would still be necessary for the women who work out only 1-2 times per week. So the numbers would not change from that perspective. Other questions from the survey will be shown further throughout the thesis as supportive evidence of the claims stated within this report.



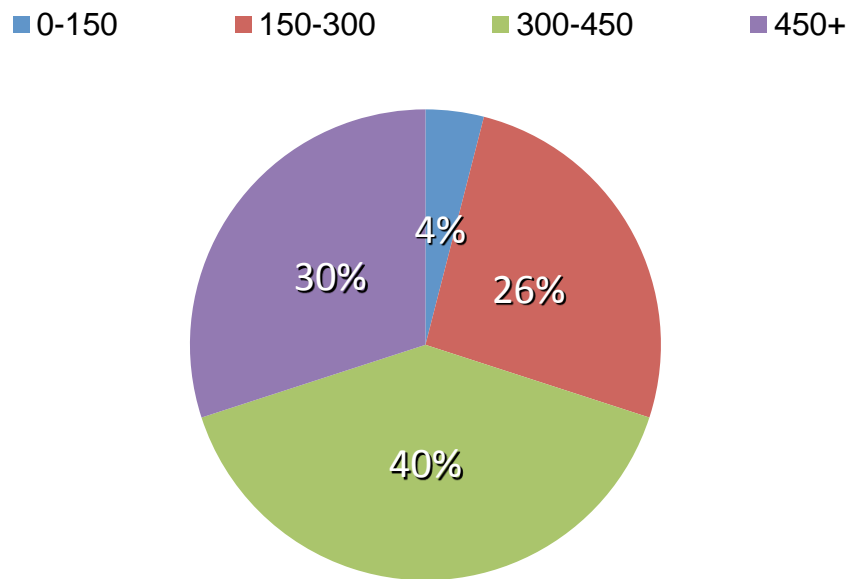
Graph 1.1 Times per week target market engages in physical activity

The typical income of our target market for this project would be an average student income that is provided by Kela. But I've also found that since education is important in Finland, with 83% of adults with a college degree, that many students do not work at all during their studies which would keep their income lower than the average adult (Central Intelligence Agency 2014). This

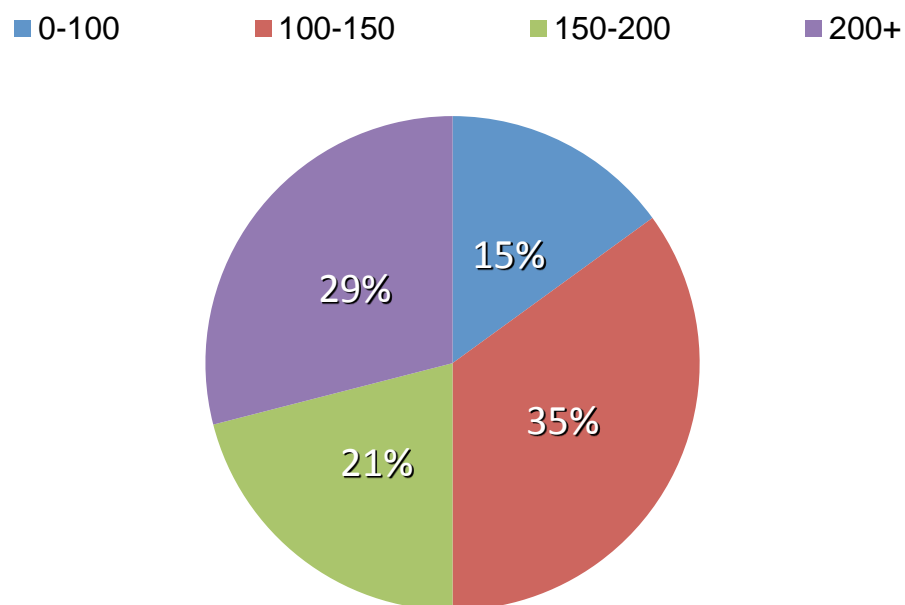
is one of the primary reasons why Alpha Performance is going to strive to penetrate the market with below average pricing. The data as presented in graph 1.2 shows the average or typical income for our target market.

Alpha Performance aims to deliver their products at low prices while still delivering high quality products. In the survey which was conducted throughout Satakunta University of Applied Sciences, one of the questions asked, “What is your net monthly income?” The responses showed that four percent of students make less than one hundred and fifty euros a month, twenty-six percent of students make between one hundred and fifty and three hundred, forty percent of students make between three hundred and four hundred and fifty a month, and lastly thirty percent of students make above four hundred and fifty a month. This question only showed how much money students are making, but with the cost of living changing dramatically from different sections of the city, as presented in graph 1.3 the question then changed to, “How much extra income do you have per month after all bills are paid?”.

With asking the question in our questionnaire of how much extra income students have per month to spend on products of their choice; the data was able to be analyzed and used to help create the cost levels of the woman's product lines. This question is much more relevant than the question of how much income each individual makes per month because of the differences in money owed each month. The research from the data in graph 1.3 concluded that: 15% of students have less than 100 euros a month, 35% of students have between 100-150 euros a month, 21% of students have between 150-200 euros a month, and 29% of students generally have over 200 euros left a month after bills. This research concludes that the majority of students are on a restricted income and for Alpha Performance to attract their target market, they would need to stay with their strategy of keeping costs low, but quality high.



Graph 1.2 According to surveys conducted, how much income students earn in a month.



Graph 1.3 According to surveys conducted, how much extra income Alpha Performances target market has per month out of their monthly income?

2.2 Psychographic Segmentation

Psychographics are the study in business when looking into the interests, lifestyles and attitudes of a specific group of people. Psychographics and demographics go hand in hand in creating a specific target market and helping to define a consumer profile for a company. Psychographics help a business not only create a product which will be wanted by consumers, but also helps in marketing to a specific group of people. Knowing what things a consumer likes to do in their free time, or their attitude towards an idea will also help to create an effective marketing campaign after a product is designed. The sooner that the psychographics are determined, the better, meaning that the company will spend less money in the research phase and cut down on the chance of competition hitting the market first (Gitman 2008, 301).

Psychographics should be broken down into a few different categories: Lifestyle, interests, degree of loyalty, occasions, benefits sought after, and usage. Psychographics can potentially be broken down into other categories but the ones listed above seemed to be the most commonly used categories. Looking deeper into these categories will help to determine an exact target market when combined with the demographics (SBA 2014). All psychographic and demographic research had to be created before the surveys could have been distributed, to insure that the survey was being distributed to the correct group of individuals. The group of individuals who took place in the survey, were meant to be as heterogeneous as possible but within the target market group. This was done to compensate as much as possible for the incorrect sample sizes.

After researching information on how to determine psychographics and what topics to research, research was conducted to find what segmentation Alpha Performances potential customers would fit into. It was determined that most of Alpha's customers for this specific women's clothing line, would have a life style that is Pre-Family, which means that the people would be close to adulthood or in adulthood living in their own household. The typical customer for the woman's line would also be interested in sports, keeping active, be self-indulgent, enjoy fashion, and enjoy outside activities. The typical customer for

this clothing line would also live a busy lifestyle where they have to go from one place to the next, so working out gets fit into their daily schedule between other activities. The busy lifestyle would play a large part into this lifestyle because of the segmentation that Alpha Performance is putting themselves in.

Alpha Performance planned ahead to cater to this specific aspect of the target markets busy schedule, by creating a product which can be worn outside of the gym and appear as street clothes created by popular local brands. From researching local websites and stores in the Pori and Tampere area, there was no direct competition that was found. This is what will help Alpha Performance differentiate themselves from the other local brands that are available and known. This was made to be the main focus is creating the clothing line, as it would also target women who do not regularly work out but still enjoy wearing performance clothing. This generates a larger amount of individuals who would be interested in buying the Alpha Performance women`s clothing line.

2.3 Benefit Segmentation

According to Ahmad, who is quoting Haley (1968), “The benefits that people are seeking in consuming a given product are the basic reasons for the existence of true market segments.” Benefit segmentation is based specifically on what the product being offered will do for the consumer, versus the characteristics of the consumer. Benefit segmentation is used to help companies see what variation is happening throughout their products they are offering and can also be used to create new products specifically by noticing what is or is not already being offered. (Gitman 2008, 301). Not only does benefit segmentation help companies determine what benefits they are not currently giving to their consumers; Benefit segmentation also offers companies the opportunity to market their products to specific markets based off of what benefits those markets are seeking. Benefit segmentation ties directly in with the psychographics of the consumer in the way that it creates the opportunity for a company to decipher what needs are not currently being met that could be met by a specific product or service.

Benefit segmentation is a way of segmenting consumers based off of their opinions and needs, which differs from the other types of segmentation. More utility is offered out of conducting benefit segmentation research than other types, because it explains the reasoning behind why consumers are choosing the products they choose when they are given options. This takes the guessing out of not only marketing, but out of new product development within a specific target market. This research has adapted and created two specific models that can be used in product development and marketing strategies. The first model being communicating that the product is superior to others based off of its cognitive benefits. The second model being creating a product that is more noticeable than other products currently on the market based off of their cognitive benefits. (Ahmad 2003).

In the case of Alpha Performance and their women's line which is soon set to launch, the surveys were analyzed to see what possible consumers felt was not currently being offered on the market by existing companies and what they would like to see within new products. The conclusion was that pristine athletic wear, which also held enough fashion to wear into everyday life, was currently not readily available to the public within our target market. During market research, it was discovered that these products are being offered in North America and within the UK specifically. The products that these brands are offering are not yet available to the Finnish market unless bought through a third party website or retailer. According to chart 1.4, our consumers felt as if many different aspects are needed to be implemented to attract them to Alpha Performance and take their focus away from larger name brands. These are the aspects which Alpha Performance is targeting to implement for their woman's clothing line to successfully satisfy their target market.

Starting this woman's line also opened up opportunities for Alpha Performance by realizing that they do not offer a men's line that allows men to wear workout clothes anywhere and that do not appear as workout clothes. That is a possible business venture that Alpha Performance could focus on after finding success within the woman's market. This is the piece of the business which will set

Alpha Performance apart from their competitors within this market and attract customers to this up and coming brand, if marketed correctly and towards the right consumers. Marketing will play a large role in the success of gaining market share within Finland.

2.4 Volume Segmentation

When using volume segmentation to help create a specific target market, its role is to determine what types of people will need this product the most. Volume segmentation focuses only on returning business and how often these customers will return. But it is also important to note how much revenue is made off of each customer for each visit. There is a fine line in the balance between returning business and how much profit the returning business is bringing in. The focus should not only be on the amount of times shoppers come in, but instead how much profit each customer is bringing into the company in a specific time span. It should also be noted when discovering volume segmentation, how much revenue is being brought in from consumers who have been brought to the site via word of mouth marketing. There are three different types segmentation in volume segmentation: Heavy Shoppers, Medium Shoppers, and Light Shoppers. (Gitman 2008, 301).

Since Alpha Performance is offering athletic clothing, they are expecting medium shoppers who only buy a few items at once. Alpha Performance is strictly targeting to get a heavy amount of customers, who don't bring in large amounts of profit at once, but come in often. It has been determined that consumers only buy what they feel they need, but then come in often to buy a couple of pieces. Alpha Performance is creating their clothing line to persuade consumers to buy multiple pieces at once. To get customers to buy multiple items at once, the items have been coordinated together to create sets which can be changed to match with other items as well. Alpha Performance is looking to gain a wide market of consumers who are light to medium shoppers to gain the most potential profit as possible.

The products will be coordinated together based off of color, fits, and possible activities that each piece could be used for. These three variables will determine how the products are designed and what factory designs the products. Having products which look as if they are normal clothing but will be created to be used during work outs of many different types will be a way to attract more customers to each specific product. The goal is to not have a possible customer walk away because of not feeling that the product will fit their specific activity.

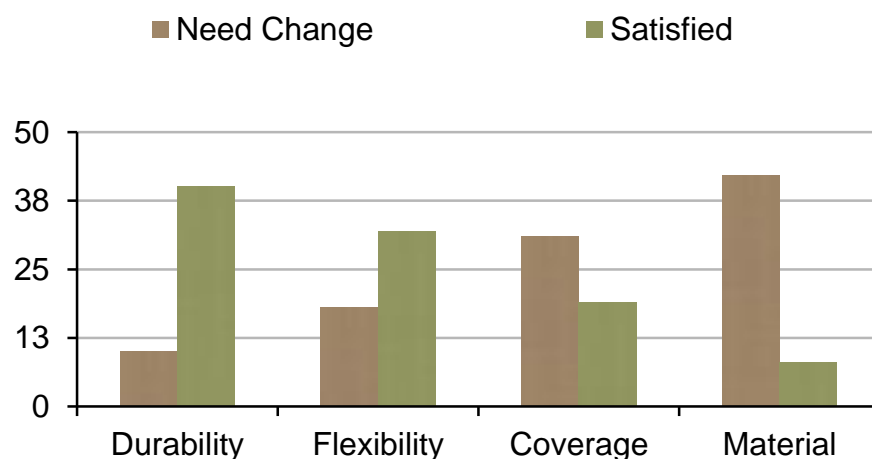
2.5 Defining a Unique Selling Proposition to Attract Consumer Emotions

Defining a selling proposition is key before creating an actual product and using a unique selling proposition is a way to attach to consumer emotions. Emotions have been shown to be able to attract a customer better than reasoning, even though consumers want to be able to rationalize why they are doing something. To successfully define a selling proposition, one must find the weaknesses of the consumer and target those weaknesses while offering a solution to the problem. A unique selling proposition gives way for both of these important topics to take place. (Bird 2007, 82).

An entrepreneur should first look at their product or service from the consumers side of view and see what the customers are actually wanting out of a specific product. Differentiating a product from its competition is important to keep customers consistently coming back and not taking the most readily available product. Once the penetration phase starts to fade out and the pricing becomes more level with the competition and the competition markdowns, lower name brands become at risk to losing consumers to competitor products.

Knowing the reasons why customers will buy your product over the competitions is the way to creating a selling proposition, because that is the topic that should be focused on while creating and marketing a product. (entrepreneur.com 2014).

Since this product line had not been launched into the markets yet, it was impossible to ask customers what they like and dislike about Alpha's new line of women's performance line products. So instead, 50 women were asked in the surveys to check what they would like to see improved in athletic wear. Then these answers were recorded and analyzed to see which ones were plausible, and in return Alpha would apply these needs to the new women's performance line products. Even though there is a market full of similar items to the brand Alpha Performance is creating, the goal was to make the products stand out versus the competitors. The product wasn't only meant to stand out in terms of the fashion aspect, but also with the grade of material and durability of the product. The characteristics which the surveyors most wanted to be changed or upgraded have been documented and presented in Graph 1.4.



Graph 1.4 Characteristics which surveyors most wanted to see or not to see improvement

When looking at the Alpha Performance Products which were designed, the selling proposition was to take comfortable athletic wear and bring it to the streets. This means, to make clothing which can be worn directly from exercise to consumer's everyday life. Bringing the products to the streets, will allow consumers who don't always work out, want to buy these products as well. The selling proposition is to set Alpha Performance Woman's clothing line apart by offering a different sense of fashion that is currently being offered on the market. The needs of Alpha Performance's potential target market were taken into consideration and products were created which will solve all of their

current issues with products on the market. This will differentiate Alpha Performance from its current competitors, along with the price that the products are delivered at.

3 UNDERSTANDING PRODUCT DEMAND

Product demand for a specific product within a target market may not already be known to the consumers, so creating demand for a product is an important part of creating a successful product or business. When creating demand, one must understand the consumer market and what makes society act the way they do. Much of the product demand research takes place while figuring out the target market because of the determination of the demographics and psychographics. Product demand can be created in many different ways, but the research, fulfillment, and marketing aspects tend to be the most valuable. To create demand, a product must be made to make societies life easier in some way and make consumers feel as if they need this product. To figure out what aspect of societies life to target, research must be conducted to find the current issues that are not being fixed. This is where opportunities are found and success is created (Slywotzky 2011).

3.1 Unconventional Ways of Creating Product Demand and a Product Market

Creating demand can be seen in many different ways, some conventional and some not. For the topic of creating product demand, the saying to “Think outside of the box” directly relates to the mindset needed. Looking at demand in an unconventional way will help find the gaps between consumer needs and what consumers settle for, which is the demand that consumers do not know they are missing. Once this gap is found, it offers the opportunity to get into a creative way of thinking to recreate products which consumers already have (Slywotzky 2011).

Creating a product which has a demand is not enough to make customers feel they need a product, but the emotional needs of consumers also needs to be

considered (Slywotzky 2011). So in the case of Alpha Performance, the company is planning to connect to the emotions of people who feel that they do not have enough time in the day and always feel rushed. This creates stress and anxiety within consumers, so those are the emotions Alpha Performance plans to create a solution for. Alpha Performance plans to market their product in the sense of a time saver for busy woman on the go. This product line is being made to make consumers feel as if they are being given extra time in their day to accomplish what needs to be accomplished.

To reiterate why the woman's clothing line will be marketing this way, it is because the main focus on creating the products is to create a performance clothing line that woman can wear on the streets but also in the gym. This will help make consumers within Alpha Performances target market feel as if they need these products to help save time throughout their day. Keeping the primary focus on these pressure points, should create product demand for the woman's clothing line throughout the target market. Of course since the target market is a broad range, being 18-28, these women are in many different areas of their lives. Marketing will need to targeted more towards the crowd who are finishing up school or beginning work, since these are the women was need the persuasion to buy a product. The women towards the lower end of the target market range tend to pick a product based on the brand and how it looks. To that age group, the product should be able to speak for itself.

3.2 Product Market Research

In conducting market research, there is a set of principles which can be used as guidelines while conducting market/demand research (Beall 2015). There are many different ways that market research can be conducted, but these set of guild lines were created by Beall and were the guild lines followed for this thesis.

The guidelines are as follows:

- Identifying strategic questions

- Using correct research techniques to answer the strategic questions
- Going deep enough into each topic to gain insight
- Studying nonverbal communications which were obtained during qualitative work
- Studying the emotions in consumers
- Studying statistics to better understand what is driving a market
- Create strategic recommendations based on data collected

One of the biggest mistakes which can be made during market research is to not have a specific question to be asked and instead having multiple vague questions. Market research can become a long drawn out process with high overhead costs because of the amount of research being conducted. Having a specific question to be answered creates the most efficient environment for a company to succeed. When having specifically one or two major questions, it will lead to direct and precise results, which then recommendations can be made on how to further the process. To come with a specific targeted question, a business should think of why they want research to be conducted (Beall 2015).

When figuring out why research needs to be conducted, this helps to create a specific question that is needing to be answered. Before beginning to conduct market research, another question which should be asked is the hypothesis part of the targeted question? If there is currently a hypothesis, it means that a specific question is intact. From there, research can start being conducted by asking why these hypotheses stand (Beall 2015).

When putting these methods to use in the case of Alpha Performance, the main question to be researched was: What are the needs of consumers that are not currently being filled in the performance clothes industry? The data which would be collected from this question and the research to follow, could potentially help to increase sales and specify demand within the target market. Before worrying about sales figures or creating demand, this specific question would allow Alpha Performance to create great products that would satisfy consumer needs. Alpha Performance had a hypothesis on what consumers

wanted in their athletic clothing which consisted of: High material quality, increased coverage, increased support, and overall appearance of products.

To prove if Alpha Performances hypothesis was correct or to be able to make suggestions if it was not, a survey was carried out which was explained earlier in this thesis. This survey was given out to 50 woman who were without the target maker based off of the demographic and psychographic research recorded. The survey proved that the majority of Alpha Performances hypothesis was correct. The four top things that our surveyors wanted to see changed in athletic wear were: durability, flexibility, coverage, and material. These four needs from consumers were taking into consideration while designing and creating the woman's clothing line.

After being able to determine the needs and wants of Alpha Performances specific target market, Alpha Performance then needed to conduct research into the factors which could affect the elasticity of demand of their market before deciding how to launch their products.

3.3 Factors Which Affect Elasticity of Demand

Alpha Performance noted that the demand of the women's product line which would be offered is elastic, meaning that the demand could significantly change by the prices they offer (Lamb 2009, 566). Since this product line is not currently on the market, the elasticity could not be determined. But if the product was on the market, it could be determined by taking the percentage change in the amount of demanded product and dividing it by the percentage change in the price of the product. Lastly, with elastic demand, it does not completely depend on price, but also the following points also need to be taken into consideration.

- a) Availability of competitive products
- b) Price and purchasing power
- c) Durability of product

d) Diversity of product

In the case of Alpha Performance, there are many competitors who are much larger companies but selling the same products. For example, Lulu Lemon, Nike, and Adidas. When there are many competitors selling similar products to the same target market, it makes it simple for customers to jump from brand to brand (Lamb 2009, 567). This creates a large amount of elasticity in the Alpha Performance women's clothing line. Since this will be a new brand, customer loyalty right now is elsewhere, but with the research completed to create these products, Alpha Performance needs to draw in customers in a way to get them to try a product. With the lifestyle the customer would have, these products would be used heavily and multiple items would be needed by the customers. Alpha Performance could increase their customer loyalty to this specific market by creating added features to their products which are not currently offered. These added features would create added values to the consumer which would create a sense of fulfillment and possibly lead to customer loyalty. The four main aspects of added value are the following: Added value from experience, added value from reference group effects, added value from belief that the brand is effective, and added value from the appearance of the brand. (Chernatony 2011, 88).

When discussing purchasing power in relation to price, Alpha Performance's product is closer to the inelastic side of this factor. It means that because of the significant costs of athletic clothing, if price was to go up significantly, consumers would stop buying and switch to a cheaper less trusted brand. Since athletic clothing is not necessarily a "need" but a want, purchasing power isn't as high as it could be with other products.

The durability of the product ties in with the price and purchasing power of a product. With Alpha Performance, the goal is to provide durable and long lasting products which can be paired with future products offered. Pairing the past products with future products gives customers more versatility in their clothing, which gives them the chance to make more clothing pairs than other leading brands. During the research which was conducted with the surveys,

Alpha Performance concluded that durability was one of the top five most wanted aspects in athletic clothing for woman. Alpha Performance took the five most wanted aspects in women's clothing into consideration while designing the products to ensure that all needs were met. Even though customers are sensitive to price increases, Alpha Performance plans to focus on keeping their prices consistent and competitive with the competition to keep customers mixing and matching new products with old products. Alpha Performance has the opportunity to create a brand for themselves, since they have not yet offered a product in this specific space. This is an advantage over other larger brands because of the bad reputation some brands already hold. Overall with the quality of materials being used and the time taken to ensure they are made correctly, Alpha Performance has made durability a top priority because of the survey answers.

Alpha Performance's women's clothing lines main goal in creating a clothing line which can hold multiple purposes. This creates elasticity in the products since the product can appeal to more than one type of consumer. With the focus of the products being on consumers being able to walk out of the gym and onto the streets without anyone knowing. The consumers can wear Alpha Performance's product line anywhere. This not only will appeal to women who live a busy lifestyle, but will also appeal to women who are looking for fashionable clothes with the comfort aspect. When marketing the clothing line, diversity will be the focus on the products.

4 NEW PRODUCT DEVELOPMENT

New products are usually created when an entrepreneur designs a solution to a preexisting problem in the consumer market, but not all products take this route. Alpha Performance CEO stated that, "Products do not need to be new, but instead innovative in their approach to satisfy customer expectations." This is Alpha Performance's approach with the woman's clothing line, to be innovative in the development phases but use templates which have already

been created. Throughout the next chapter, this process of development of the woman's clothing line is explained in detail.

4.1 Idea Generation and Identifying an Opportunity

Like what was stated earlier, not all new products are created by opportunities but instead by an entrepreneurs ideas. But even with just an idea, there is an underlying opportunity which one has seized. Finding this opportunity and identifying it is crucial to new product development to completely understand how an opportunity can be captured (Ofek 2010, 3). One of the best ways to actually generate ideas would be to brainstorm, according to Osborn in 1957 (Ofek 2010, 14). Brainstorming offers a way for everyone to be creative and let their ideas flow freely. Brainstorming can be done alone or in groups, but has it has been proven in many cases that brainstorming alone can be more efficient.

In Alpha Performances case, they specifically realized the opportunity in the market in Finland because of the lack of competition. There are multiple other brands that carry women's clothing, but no brands that carry fashion focused performance wear. In other markets, such as the US market, this has become a large sensation. Alpha Performance has seen their men's products make a net profit of approximately 300,000 euros in the first three months of incorporating their company into Finland. This is where the opportunity first showed itself to the Alpha Performance Team. The CEO of Alpha Performance, Xavier Andre, stated "We are creating a product line that is going to fill a specific niche that has not been found here in the Finnish market."

The idea of gaining a presence in the women's performance clothing market in Finland generated from the success Alpha Performance was showing with the men's performance lines. The same steps that were taken to create the men's side years before were to be recreated for the women's clothing line. Many things were already in place such as manufactures, warehouses, marketing teams, material samples, pricing, and a website. Having these aspects already

in place made it easier to speed up the process of launching the product line in December 2014.

4.2 New Product Screening and Observatgional Research

One of the largest benefits of taking time to perform observational research while in the beginning phases of new product development is that observational research makes it possible for a team of innovative developers to see how consumers interact with an already available product. This has been shown to be beneficial for companies such as, iRobot and Roomba. Observational research doesn't necessarily mean that research must be conducted in person, but can also be done through technology (Ofek 2010, 4).

For the purpose of developing a highly demanded woman's clothing brand, observational research was conducted on products already offered on the market. This was done in three different ways: In person observational research at local gyms, surveys given to a section of the potential target market, and observational research conducted online on blog posts. A part of the idea generation process is the involvement company's offer to their potential customers or preexisting customers. After researching customer empowerment in the idea generation process, it was shown to cause multiple problems which Alpha Performance has found a way to avoid.

Customer empowerment had to be taken into consideration with the screening and observational research stages because of how the world is changing with technology. Consumers now have more power behind them with technology on their side. Technology has made it easier for consumers to buy products and have been found to be more persuaded by reviews and social media while purchasing products. This has changed how products are marketed and how companies are being forced to adjust to these situations. (Lindstrom 2012, 4).

Because of technology and the customer empowerment that follows, this has given consumers more choices within seconds than ever before. Technology

is also giving consumers the power to filter through messages and marketing efforts from companies based on their previous interests online. Lastly, the consumers are gaining power based off of their word of mouth marketing and their demand for instant feedback from companies on social media. (Lindstrom 2012, 4).

Customer empowerment is playing a large role in the research stages of development because of the margin for error based off of many factors. One way for companies to adapt to this situation, is to create the most truthful and apparent environment for research. (Lindstrom 2012, 8). With the power that consumers hold through technology, it allows them the opportunity to find information that could be hidden within the black box.

There is a small margin for error with the research conducted for Alpha Performance, being that the surveys and observations were done to a small part of the population instead of opening up ideas to hundreds of people. This gave the opportunity to get consumer input, while also keeping the amount of input under control. Now with the size of possible consumers who were part of the research process, I understand this was not accurate sample size, but was chosen for the purpose of this thesis. Even though the size of the population sample was small, it was chosen to be as heterogeneous as possible. This cuts down the opportunity for sampling error. (Smith 2012, 21).

4.3 Product Development, Design, and Testing

Product development, design, and testing can be merged into one piece of the development process. The development process of the women's clothing line has already been discussed throughout this entire thesis, but refers to the entire process of launching a product to consumers. The task of developing new products is a difficult and expensive process which should be facilitated or completed by individuals who have already completed the process before. (Riley 2014).

Understanding product development is crucial before going into the design and testing phases. Once customer needs are identified which was proved earlier on, analysis of competition is completed, and target specifications are created, the design process can be started (Riley 2014). After the development process is completed, the brainstorming stage comes in to create possible product concepts to then be singled down to a specific one. These products specifications need to be defined and then redefined after economic analysis is completed. This process is then repeated for every product which needs to be created. (Riley 2014).

In the case of Alpha Performance, the development of the products were completed by multiple people who specialize in all aspects of the development life cycle. Individuals were needed who specialized in marketing, design, manufacturing processes, packaging, analysis, and design implementation. This project of creating a women's clothing line within a specific market in Finland, had a direct time line and defined roles within every aspect of the life cycle. To keep costs low and have effective time management, the entire process was planned out by the CEO Xavier Andre and then released to the team. Because of the experience Alpha Performance staff holds in previous product design situations, the project was able to be completed in less than one year. Many products take over one year and upwards towards five years to successfully complete. (Riley 2014).

After the product development stage was completed, initial product testing was carried out to ensure correct sizing and that the product held up to the standards that the target market was looking for in a new product. The products were then compared to similar products already on the market for quality and sizing. This testing was all completed without having actual women to test the products, but instead was an initial test before completing the order for the product and before carrying out beta testing.

Once the initial testing was completed, the product line was sent back with minor changes which would uphold the products to the consumer standards. Then this process was repeated once more, until the product was finalized to

what Alpha Performance considered consumer standards. After this piece of testing is completed, business analysis, beta testing, and market testing must take place before ordering the first large shipment. This ensures that the right amount of product is being produced and shipped to the correct locations based on the market demand.

There is a large amount of risk that companies can take on by being overstocked, such as: Illiquidity, markdowns, and obsolescence. Many companies think of their inventory as cash, but it shouldn't be thought of as cash but it is much less liquid. If a company has too much inventory, it cuts down on the cash flow needed for a company to succeed. The next being markdowns, because if a company has too much inventory, chances are that they will need to mark down their prices to move the product (Putra 2009). This could be detrimental for Alpha performance because of how low the prices already are. The margins on the products are already low, so cutting prices by more than 30% would mean that Alpha Performance would not break even. As Alpha Performance is within the fashion industry, they would not need to worry much about obsolescence, since consumers always buy clothing products. Alpha Performance would need to base their focus on creating the correct amount of inventory in the Finnish market, to avoid the chance for Markdowns, which happen quite often in the fashion industry.

There are also risks of having too little inventory, such as: missing out on sales, missing out on favorable prices, missing out on discounts, and losing consumer loyalty. Many of the risks that are associated with under-stocking have to do with the backend of the inventory. For example, how much stock the company should purchase at once based on the sales amounts and discounts that are offered based on the size of the purchase. (Putra 2009).

4.4 Demand vs. Supply

Supply versus demand is a way to look further into inventory numbers and where the company's cash should be tied into. Demand is defined as the

amount of a good or service that is needed within a specific area to fulfill the needs of customers. The demand is driven by consumer purchasing power, the amount of customers within the target area, and the size of the company's trade area. Demand is often calculated by NAICS categories and is measured in square feet, number of stores, or total sales. (Clark 2011).

We have previously assessed the demand within the Finnish market and the size of the market that Alpha Performance is aiming to target. Assessing demand is the next step in the process to make sure that the correct amount of inventory is created and stored (Clark 2011).

There are two ways to correctly build inventory, either new or existing. This is through secondary data or through a locally generated database. Secondary data is known to be one of the simplest methods used to gather data about other company's inventory. Many national firms collect this data, but it cannot always be trusted. Often this data is skewed, or is missing some of the important information. This data needs to be checked multiple times for errors and should only be used for specific pieces of information, not as a whole. (Clark 2011).

The other way to correctly build inventory is to go through a locally generated database, or to create a database. To create a database will be the most time consuming option, but also will be the more effective and correct option. When determining supply with creating data or a personalized database, supply considerations should be taken into consideration. Data should be sorted to find companies similar to their own market niche in terms of mass activity and business district. The position of these companies should be similar in terms of the relativeness to other business districts within the specific area. Then the obvious considerations of competitiveness of existing stores within the target area and outside of the target area. (Clark 2011).

The last step in the process is to draw realistic conclusions based on the data that was collected from the supply and demand research. Having realistic expectations is important so that product development lead to favorable outcomes. To create realistic conclusions, there are documents online which can

be utilized to speed up the long process. The document that Alpha Performance used was the Retail and Service Business Opportunities Worksheet that has been created to be used as a tool for analysis based off of data gathered.

There are also quantitative tools which can be utilized to help determine if the demand in a market exceeds the supply which would mean that there is significant room for growth within the company. These tools consist of: Business mix analysis, gap analysis calculator, pull factors, and regional advanced gap analysis. Business mix analysis is used to compare the number of similar businesses in one area versus another. The gap analysis calculator is used by companies to calculate consumer spending within a specific target market and also the potential demand, based on sales, number of stores, and square footage. Pull factors are broader than the other tools in the sense that they measure the strength of a local retail market and where its sales are coming from. This isn't based on a target market, but instead political boundaries. To make pull factors more precise, regional gap analysis is completed to add a specific target market to the analysis. (Clark 2011).

In the case of Alpha Performance, we carried out the Retail and Service Business Opportunities Worksheet and the Business mix Analysis. As we were initially focusing on Pori, Finland, it made the process more efficient than releasing the products to the entire Finnish community and attempting to calculate the supply and demand.

4.5 Beta Testing and Market Testing

During new product development, both beta testing and sometimes market testing are carried out to determine real world usage of these products. Product beta testing is conducted under a controlled group of candidates, where market testing is done by a product design team.

Beta testing is the testing of products done by real users in real situations. Beta testing is the most accurate way to understand how a product works and if there

will be any problems with it. Beta testing will point out the great features in a product, but will also give the consumer the opportunity to state if there are any undesirable features in a product. Since the product is normally tested under normal situations, the product will prove to be able to withstand the conditions or will show what changes need to be done before the launch of the product. After the beta testing is completed, the information is then to be recorded and analyzed, so that any changes that needed to be done, will be done. This type of testing can also show the exciting features of products to the consumers, which could help in marketing campaigns and deciding which key features to release to the public. (Anderson 2014).

Beta Testing has five main objectives: Product Management, Quality, Usability, Support, and Marketing. Performing real life testing allows specific companies to deliver the promised user experience, achieve user acceptance, and assess the competition that is currently in the market. Achieving this acceptance is done by being able to identify possible issues and evaluate real world performance. Lastly beta testing, is a way to gain testimonials and reviews of the products that were tested.

Even though the process of beta testing is time consuming, it has many benefits, with the top few being: reduction in production costs, increase in sales, decrease in returned products, and an improvement in the product planning process. (Anderson 2014).

Alpha Performance conducted beta testing on each product at hand, on three different woman within the target market. Each woman was given the products for a week and were asked to wear them during workouts and outside of working out and end the week with feedback on the product. When planning for the beta test, each woman was picked out specifically based on her clothing size and the type of sport that she does on a daily basis. One woman wore a size small, another medium, and lastly large. This was to ensure that the sizing was correct based off of the typical market consumers. This allowed for Alpha Performance to get the feedback needed off of their products to ensure the quality was level with what the consumers wanted.

After beta testing, the products were then changed according to the feedback that was given from the consumers who were a part of the test. The product was then sent back to Alpha Performance headquarters here in Pori, Finland from the manufacturer to check that the changes were made correctly. Once this was completed, the basic design was created and then it was onto coloring, printing, and the creation of marketing tools. Alpha Performance did not take part in a trial selling period because of the amount of online sales that would take place versus actual in store sales. Also because of the fact that trial selling periods tend to cost a large amount of money and it could be counterproductive for a company of Alpha Performance's size.

4.6 Technical Implementation

The process of technical implementation is the last line of defense against error, before the commercialization process of new product development process begins. Most of the technical implementation process is dealing with the operations side of the business versus the product, since that should have been completed after the testing process. In this stage, the production process should be completed defined, the marketing plans should be created and finalized, and the finances should be allocated in the right direction. This is the stage in the new product development process where all the loose ends come together to create a finished product.

Within the technical implementation phase, Alpha Performance differs from many industries because it is in the retail industry. Production of the products stay similar because of the fact that supply usage, shipping, and warehousing must all be considered. Based on the previous testing, the expected volume will be the first step to creating the plan for all of the supplies, facilities, and distribution. The manufacturer has approved a shipping period of 10 days at maximum for a large sized order. Any orders that go outside of the normal shipping size would need special consideration. In previous orders with the

men's performance line, most orders were placed in a medium capacity with approximately one order per year being a large order.

Since Alpha Performance will start primarily online when launching the product line, the warehouse is able to be held anywhere in Finland and will be shipped from there. This will save on initial costs for Alpha Performance since they do not need a retail space or extremely large warehouse to fit both products and the working space needed for employees. Shipping will also take place out of this warehouse facility and will be picked up by a service to be shipped to the appropriate destination. Alpha Performance will also initially take in a large amount of product from the supplier to be able to stock up the warehouse. Since Alpha Performance is an established company in the UK, there is a sufficient amount of cash flow to keep the company afloat without tying up all of the cash flow.

Alpha Performance allocated very little resources to the marketing of their products. Up until now, it has been based off of word of mouth marketing and some direct contact with possible consumers. Since the woman's line is based off of performance clothing versus uniforms, this marketing strategy had to be changed. A budget was allocated for specifically marketing this woman's line and the budget was \$400 per month or the equivalent of \$4,800.00 per year. The marketing was to be broken down in a few different directions.

First was optimizing the SEO, since the internet is primarily where sales will be coming in from. SEO was completed by the marketing team who is currently working out of the United Kingdom and who implemented search engine optimization practices into the London Market. SEO will be an ongoing process which will be continued as long as it has been showing an increase in sales. This is also be monitored by the marketing team in the United Kingdom.

The rest of the budget was focused on google ads and social media sites such as, Instagram and Pinterest. With Alpha Performance being a clothing company, the showing of the products has become a top priority. Visual social media marketing is showing to become a new trend with innovative marketing

teams around the globe as 70% of marketers plan on increasing their use of visual marketing and 50% plan on increasing their use of Pinterest specifically. (Walter 2014).

Now that all of the marketing processes, finances and production processes are finalized, the product was able to go into the commercialization phase and launch in December 2014.

4.7 Commercialization

Commercialization refers to the process of releasing a product into the market. By this stage in the new product development process, production should be completed, inventory should be stocked, and the marketing and advertising campaigns should be in full force. This is the stage of the process where most money is spent because of all the efforts coming together and any problems that may arise are taken care of. The marketing efforts will cost the most during this commercialization phase. (Boundless 2015).

Commercialization of a product will only take place if the timing of the launch, the location of the launch, and the target consumers have been successfully identified. If all of these pieces are successfully identified, then an action plan must be put into place on how to introduce the product based on the decisions that were made regarding the above three topics. (Boundless 2015).

When deciding on the timing of the product launch, a few different things need to be taken into consideration. First being the product itself and if the product could possibly be improved further or if it is ready to be released. Second being the economy and how steady it currently is within the specific market that is being targeted. At the same time that the timing is being determined, the location must be decided on as well based on market research. The market that is chosen will greatly impact the resources used in the launch of a new product, for example the capital, management, and operations capacities. Along with location comes the target consumers that need to be determined

early on in the process, as the product must appeal to them. At this stage, the target consumers are more used as a test market, if chosen correctly this could be an explanation of what will happen within the full market. (Boundless 2015).

When applying this process directly to Alpha Performance, these were the results of the commercialization process. All of the production, inventory, and marketing efforts were completed, which turns the focus on the clothing line itself, the current economy and where it's heading, and the location of the launch. Throughout the new product development lifecycle, all of these topics had been discussed and defined, but since the process took an extended period of time, Alpha Performance felt that it was necessary to reevaluate previous decisions based on the current market.

After careful revaluation, all decisions were kept the same and decided on still being relevant to the current market. Regarding the economy of the target market, December 2014 was strategically chosen as a release date because of the holidays surrounding that time and also being in the middle of the school year. According to the Official Statistics of Finland, more consumers than average, or 48% of consumers felt that they had the means to buy durable goods. 54% of consumers said that they will be saving a significant amount this year, 66% said that they will be able to put some money aside, and 77% of consumers said that they will be able to start saving within this year. It was a consensus that the money that is put aside is either for holiday spending or spending on down time. This was up from previous years and at a steady increase which shows that the economy is on a steady increase. The middle of the year was chosen as a release because during summer, the majority of the target market loses Kela funding for the summer. (OSF, Riita 2015).

4.8 New Product Pricing

When a new product is created, pricing of the product becomes crucial to the success of the product. There are multiple methods that can be used to create

the pricing on a new product that has similar competition. The two most popular general new product pricing strategies are penetration pricing and skimming pricing. Below is a comparison of the two pricing strategies and an explanation of why each one is successful in certain situations. (Boundless 2014).

Penetration pricing is a technique that is used when a product has current competition that involves setting a lower initial price than the competition. This is with the expectation that the low pricing will draw in the target market from the competition and get them to switch brands. This is the best option when costs are able to be kept extremely low with a high margin on a low price and when a company needs to penetrate the market quickly. This pricing technique focuses more on creating a greater market share or sales volume versus a higher profit. One of the greatest advantages of penetration pricing is that it results in fast diffusion and doesn't give competition the time to react to the new product. This also creates extensive word of mouth marketing since consumers notice the quality of the product and the price being below market value. The greatest advantages for small companies is that it reduces the pressures of cost reduction and cost control because the inventory should run out quickly. The low price of the product should create a high stock turnover and create a sense of support from the consumers, which in return turns into sales. This strategy should be used when a company feels as if the market could be penetrated quickly by competition and they need to act fast. (Boundless 2014).

On the other hand, there is the new product pricing strategy of skimming, which involves selling a product at higher prices which means that fewer sales are needed but a higher profit is brought in. This strategy is used most often when a company needs to quickly compensate for the starting costs of creating a new product. This strategy can only be pursued during the launch of a product, as eventually competition will come in at a lower price and draw the consumers away from a company. Once a product is launched with the skimming technique and the market starts to become enthusiastic about a product, new pricing tactics must come into play to be able to be able to continue gaining market share. There is really only two cases that the skimming technique can become an effective way to price new products. These are when a company

has a premium product that is in high demand with limited inventory or having a patent/copyright to a product. (Boundless 2014).

In the case of Alpha Performance, the new product pricing strategy of penetration pricing was chosen. Since there is already a large amount of established competition within the market, Alpha Performance is relying on the low price and high quality strategy to infiltrate the target market. Since the product line is being produced within the same factories as other competition, such as Nike and Adidas, the quality is equivalent to the quality of the competition. The focus is to promote this quality with similar products with small changes and keep the margins low at first to pull consumers from the large brand names. The table 1.5 explains the market pricing of Alpha Performance versus Nike and Adidas in the Finnish market. This information was pulled from the direct websites of the competitors and not from third party distributors in the Finnish market. These prices vary but were taken from the most comparable products on the market at time of launch.

Clothing Items	Nike	Adidas	Alpha Performance
Performance Top	33 Euros	40 Euros	27 Euros
Performance Sweatshirt	77 Euros	150 Euros	35 Euros
Performance Tights	110 Euros	50 Euros	38 Euros
Performance Shorts	55 Euros	35 Euros	25 Euros

Table 1.5 Current market pricing of competition within the target market
(adidas.fi/ and nike.com/fi)

Since Alpha Performance doesn't engage in a large amount of marketing, the word of mouth marketing that is expected to come from the penetration pricing strategy is crucial. As the marketing strategy was explained earlier, it is minimal, and with the majority of sales being completed online, Alpha Performance relies greatly on word of mouth to draw consumers to the webpage.

According to Fred Reichheld, the value of any one customer does not rely only on what the customer buys but instead how they feel about a company and what they are prepared to tell others. This can influence the revenue and profits of a company at a greater amount than the sales of one customer. A poll was taken from 6,700 customers of a financial services firm asking the customer's intentions of referring the company to others, 68% of customers said that they would refer the institution. While this was a high amount of people who were willing to refer customers, only 33% of the customers actually followed through with their intentions. For specific companies, giving referral bonuses works as a profitable way to bring in consumers. (Kumar, 2007, 4).

But for the case of Alpha Performance, the focus is specifically on word of mouth marketing on the quality and price without any referral bonuses. With the penetration pricing, the average customer value is significantly too small when prices are still at a low point. To calculate the average referral value or the CRV, the formula listed in image 1.6 was used. This number becomes important when attempting to determine if the CRV is high enough to offer referral bonuses. (Kumar, 2007, 4).

The formula for calculating referral value (CRV) is

$$CRV_i = \frac{\text{Value of customers who joined because of referral}}{\text{Discount Rate}} + \frac{\text{Value of customers that would join anyway}}{\text{Discount Rate}}$$

$$CRV_i = \sum_{t=1}^T \sum_{y=1}^{n1} \frac{(A_{ty} - a_{ty} - M_{ty} + ACQ1_{ty})}{(1+r)^t} + \sum_{l=1}^T \sum_{y=n1}^{n2} \frac{(ACQ2_{ly})}{(1+r)^l}$$

Where:

T = the number of periods (years, for example) that will be predicted into the future

A_{ty} = contribution to operating margin by customer y who otherwise would not buy the product

a_{ty} = the cost of the referral for customer y

$n1$ = the number of customers who would not join without the referral

$n2 - n1$ = the number of customers who would have joined anyway

M_{ty} = the marketing costs needed to retain the referred customers

$ACQ1_{ty}$ = the savings in acquisition cost from customers who would not join without the referral

$ACQ2_{ly}$ = the savings in acquisition cost from customers who would have joined anyway

Image 1.6 the formula for calculating CRV according to the Harvard Business review 2007.

From the data was gained during the research process for the new product pricing, Alpha Performance eventually decided to continue with the penetration pricing strategy.

5 CONCLUSION

The purpose of this thesis was to determine how to develop a new product based on demand within a target market for an international company. Specifically looking at developing a new product line within a different demographic, within an already developed brand, Alpha Performance. This process was completed by conducting theoretical research and then implementing it into the market research plan regarding the four piece woman's clothing line within the Finnish market. The product line was to be sold online, versus in retail since the market for men's clothing was previously put in place. Alpha Performance already had the marketing team to focus on search engine optimization and word of mouth marketing in place in the United Kingdom, to start working on that aspect of operations while the product was being created. This created a much more efficient launch of the product and cut costs by reducing the amount of time spent in the new product development life cycle.

The question of, "What are the needs of consumers that are not currently being filled in the performance clothes industry?" came about which is what sparked the reasoning for this research. The interview and research question provided a clear track of what knowledge was missing and how to complete the new product development lifecycle to successfully launch the product line in the fourth quarter of 2014. It shows the company needed to invest their readily available resources from Alpha Performance UK, into the research of branching out into a woman's performance wear supplier. The entire new product development lifecycle took around nine months to complete, with many of the pieces already in place from the existing company market research. Alpha Performance had to engage most of its resources into creating new product designs and the marketing efforts to successfully launch the products within the target market online. Since this was just previously launched, there is not enough data in place yet to understand the success of the launch and how it directly applies to the research conducted for this thesis. Instead of focusing on the success of this launch, the focus was turned on

what aspects of the product launch were done in a more simplistic way because of the research conducted.

The data collected from the research for this project proved that there was a market for Alpha Performance to expand into and gain market share. The research showed that the Finnish woman's performance clothing sector was not fulfilling the needs and wants of consumers, which the needs have been documented and fulfilled by Alpha Performances line. Within the market research conducted for Alpha Performance, a niche was found that was not currently being filled and this is where the opportunity was found.

In my opinion, Alpha Performance made a great strategic decision in implementing the research conducted while launching the new product line. The research that was completed was done under supervision of managing partners, but was fully conducted within the Finnish market and possible future consumers. This could not have been successfully done by managing partners within the United Kingdom branch, which adds a sense of credibility to the data collected. The research conducted was done in multiple different ways, to ensure that the market was properly defined. From there, it was put into an internal database which organized and stored all of the information. This increases the chance of the product line commercializing and gaining a larger amount of market share because of the quickened timeline and lower amount of opportunity for error.

In conclusion, new product development is a long process which absorbs a large amount of resources, but if done correctly, will help a company commercialize successfully within their target market. The new product development life cycle should only be conducted by professionals who have handled the process before, to ensure that all data is interpreted correctly. Professionals are able to understand the motivation, needs, interests, and lifestyles of the target market. From there, the association can create a product to penetrate the market and increase market share within a specific niche, no matter what competition is currently in place within a specific demographic.

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