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Will It Fly or Die?

New products enter the marketplace daily, some with greater success than others. Why do some succeed while others fail?

It is estimated that only 10 percent of new products are major innovations. Minor modifications of existing products represent 20 percent. The remaining 70 percent are modifications of existing and older products.

There is never just one reason why a product is a success or a failure, but there are some common elements that seem to always lead to one or the other scenario.

Understanding customers and what they need is key to introducing new products. So, start by understanding the industry. Then follow that with a strong and clear identification of the target market. Finally, understand what's necessary to get the target companies to purchase your new product. In short, a new product must address all aspects of the marketplace while meeting the expectations of end-users.

So why do new products fail? What are some of the common indicators for failure? (Unlike David Letterman's top ten lists, this list is not in any order of priority):

1. Actions and reactions by competitors.
2. Failure to define precisely a product's greatest value for users.
3. Faulty product performance.
4. Inadequate understanding of the users' buying cycles and processes.
5. Underestimating the marketing effort required to generate expected revenue.
6. Misdirected marketing and sales efforts.
7. Technological obsolescence.
8. Poor timing of the introduction.
9. Insufficient money for the product launch.
10. Misunderstanding the amount of investment the product may require of a customer – in time, dollars, technical skill, knowledge and staff.

So, when you're thinking about introducing a new product, think of all aspects – the industry, the current and future markets and most of all, the ultimate buyer. ■