

Product value evaluation method

Product development concept creation from trend prediction

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New product Valuation Technique from trend prediction

The market economy is made up of various factors such as customer needs, competitors, changes in social structure, etc... And now, the global economy has been forced to change under the influence of the new coronavirus drastically. It is no exaggeration to say that companies must reassess the value of their products and adapt them appropriately to suit the market.

Under such circumstances, I believe that the "New Product Valuation Technique from the Trend Prediction" (*) that I have developed can apply in this new and unpredictable era. Fig. 1 shows the flow of this method.

(*) This "New Product Valuation Technique from the Trend Prediction" has been developed for a marketing strategy to enhance product value, provide it to appropriate customers, and differentiate from other companies.

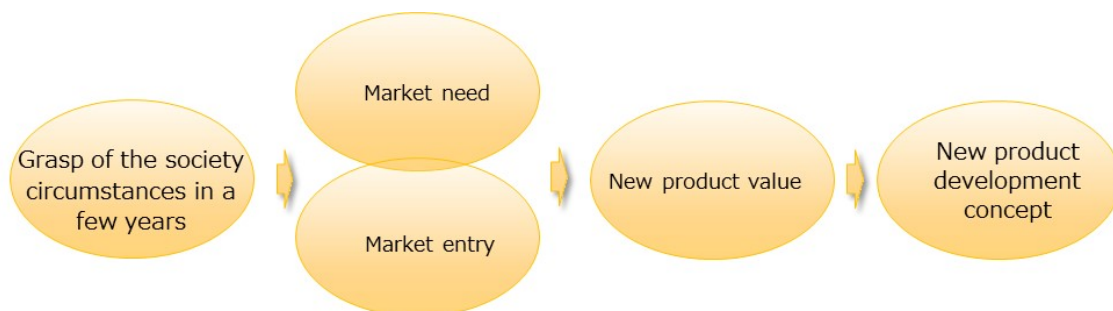


Fig.1 New product valuation technique from the trend prediction

Fig.1 shows That "New product Valuation Technique from trend prediction" is composed of four perspectives. With grasping the world from a neutral perspective by trend forecasting five years to ten years ahead, from which the value of the new product, here "Market need", "Market entry", "New product value" are analyzed. Then it connects to the powerful "New product development concept" for the market several years ahead.

Future market needs

In the current product development, there are voices from many companies working on the following issues to develop new products.

- (1) I am planning to enter the cultivated market, but other companies already in play.
- (2) Although it has technical capabilities, it is not well connected to new business development.

- (3) It is difficult to show the superiority of the company with current products and technologies.
- (4) I am considering to enter the market, but it is not finished as an attractive product.

Many companies, such as those who are trying to engage in new business construction raise these voices.

“Future market needs” is a way to eliminate the issues mentioned above, by predicting future information/data, not past information/data, and then glancing at the world market from there. It is a method of grasping needs and deciding the position of the new product.

Market entry

The "market entry" is that the company to make a bold decision to go beyond the line out its field which protected by companies (in other words, a corporate market) or a market area defined by the company. These decision making would be done by grasping the market size with reviewing from the perspective of trend prediction by searching future information and data.

New product value evaluation

"New product value" is a field where we differentiate ourselves from our competitors, and we analyze "market entry" with competitors. In other words, it is necessary to review the "value equivalent function" of a new product from a calm perspective and clarify the value (positioning) of the product. As a method for realizing this, Fig. 2 is prepared.

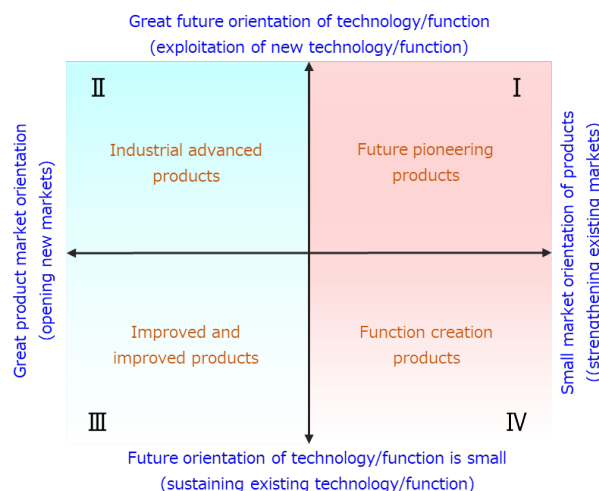


Fig. 2 Positioning of product value

Fig. 2 shows a four-quadrant diagram with the horizontal axis replacing the market with "product-market orientation" and the vertical axis replacing research and development and technology development with "technology/function orientation."

Quadrant I am positioned as a futuristic pioneering product because of its future-oriented technology and functions and the market orientation of its products. Quadrant II is positioned as Advanced industrial products in which the product that breaks down the technological limits to enhance business. Quadrant III is positioned as Reformed/Improvement product. And Quadrant IV is positioned as a function-creating product as a function development of existing technology.

For overcoming market competition, many companies are focusing on Reform/Improvement type product development, which is the third quadrant, intending to improve quality through Reform /Improvement, standardization, and cost reduction.

However, since it is difficult to expect a vast market expansion for products in the area, most of them are developing products in Quadrants II and IV.

New Product Development Concept

Understand future market needs and market entry from trend forecasts, evaluate the value of existing products or new products, and then create a new product development concept. About 95% of sales of the leading companies depend on the Reform/Improvement outcomes in the quadrant III in Fig 2. Besides, even if we aim to develop products for the future development of Quadrant I, the market will not grow as expected.

Under these circumstances, the most important thing is not to target only new product development, but to position new products after evaluating the value of existing products. It is because the product value will change significantly depending on whether the underlying technology itself is Only one or First one.