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Meaning of product development

Product development is the process of finding out the possibility of producing a product keeping in view the customers need. It includes the decision as to whether it would be feasible or not to produce the product and whether it would be profitable or not for the enterprise to do so.

Definition of product development

Important definitions of the term of product development are as under :

Product development encompasses the technical activities of product research engineering and design.

:-William J Stanton

Product development involves the adding, dropping and modification of items specification in the product line for a given period of time usually one year.

:-Limpson and darling

The product development means making changes the size, design, colour, shape, characteristics, packaging etc of the product. It may include addition of a new product line, addition of a new product item in a particular product line elimination of an existing product or a product line and changes in the size, colour, design, packaging, characteristics, price of the product and discontinuation of unprofitable item or product line.

Elements of product development

Main element of product development are : (a) To discover the feasibility of production of the product, (b) To develop qualities and characteristics of the product, (c) To develop different designs and models of the product, (d) To select the best design or model, (e) To decide the size colour packaging form etc. (F) expansion and contraction of product mix, (g) discontinuation of unfollow profitable product (h) improvement in product.

Principles of product development

Every science depends upon some principles. Product development is also a science and their life it also depends upon some fundamental principles . A marketing manager to be successful must know and understand these principles clearly, Important principle of product development are as follows :

1.Principle of standardization : It refers to the standards regarding physical attributes such as size, shape,colour and quantity quality and other attributes of the product. The standards are matched with the standards of Bureau of Indian standards .However the use of standard is optional but a form desiring to take a approval of product by the government body nudes to obtain a license. It is suggested to use the standards as it will attract the quality conscious consumers.

2. Principles of simplification : This principle advocates removing the unnecessary product differentiations size, shape, design etc. It also makes marketing programs employer and reduce the production and storing costs.

3. Principle of specialization : It aims at targeting the specific market and avoiding the unnecessary diversifications. It increases the efficiency and effectiveness level among the employees and results in economies in cost.

Advantage or importance of Product development

Product development provides a number of advantages or importance to the enterprises. Some important advantages are :

1. Product development helps in producing the goods and services of best quality.
2. Product is developed in view of the customers demand therefore it provides the maximum possible satisfaction to customers.
3. It helps in expanding the market of the product of the enterprise.
4. It helps in achieving stability in product demand of the enterprise.
5. It minimize the risk of obsolesce because producers may introduce a new product an improvement in the Existing product in the market in place of the existing one.
6. It helps in facing the competition successfully and effectively.
7. It increases the Potentiality an goodwill of the farm.
8. It increases the profit earning capacity.

Scope of product planning and development

The scope of product planning and development is very wide and includes the following activities :

1. **Product decision** : In product planning and development the first activity to be include is the decision of starting the production of the product. In taking this season the producer has to think over whether it would be profitable or not to produce the product under consideration.
2. **Size and design of the product** : The next decision included in product planning and development is regarding size and design of the product. The size of the product may be large medium and small or maybe different measurement. Design of the product includes determination of form structure colour etc. Of the product.
3. **Name of the product** : Next activity in product planning and development is to decide the name of the product. The name of the product must be short and easy to remember. It must have some resemblance with the characteristics or utility of the product.
4. **Price of the product** : Price determination is included in product planning and development ,it is perhaps the most sensitive decision to be taken by an enterprises. The object of profit maximization depends upon price determination

of the product. The price of the product must be fixed by the enterprise keeping in view the cost and characteristics of the product price of the competitors product and the purchasing power of the consumers.

5. **Brand packaging and label of the product** : The enterprise has to decide about the brand label and packaging of the product so that it may easily recognized in the market.
6. **New uses of product** : Development of new uses of product is also included in product in product planning and development, it helps in developing the demand of the product.

The product planning and development in Indian Industries

industries is in the initial stage of commodity planning and development in Indian industries and very little expenditure is being incurred by them in this regard. There are still some problems in India that do not even think about product planning and development. This is due to the producer's market in most commodities. But due to increasing education and standard of living, income growth, technological achievements, etc.,

industries are forcing them to pay attention to this also. Due to all this, some attention is now being paid to this.

(1) Among consumer goods, Hindustan Lever Limited is probably the first company to pay attention to it and that is why this company has gained fame. It has a research department here which deals with commodity planning and development. There is a large research centre for testing.

(2) Similarly, Tata Oil Mills Company Limited (TOMCO) has also set up a research and development department. Due to this department, this company has made 'magic soap' and 'bonus soap' etc.

(3) Tata Iron and Steel Company Limited (TISCO) is also putting more emphasis on the research department.

(4) Hindustan Tele printers Limited (HT Ltd.), a government company, has created new items like Arabic Tele printers, Switch Boards which are used for commodity planning. And it is the result of development.

(5) Radio and Electric Manufacturing Company Limited (REMCO), Bangalore which was initially radio made today transistors, electricity meters, water meters, electric P.V.C. Wires, loudspeakers, etc. are being made. This item is the result of planning and development.

(6) Indian Telephone Industries Limited (ITILtd.), An institute of the Government of India, India has Research and Development Department.

(7) Cigarette-making company, India Tobacco Compel Limited, earlier opened the Research and Development Department in 1928. . This is why it has been with the company. Is also standing in its own territory and has a huge hand in meeting India's cigarette requirements.

(8) The Fertilizers Corporation of India Limited (F.C.I.Ltd.) Also has a planning and development department which keeps testing for the development of fertilizers. Such data is not available in India, so that it can be found that how many institutions are there in the Department of Goods Planning and Development and how much is the annual expenditure in this regard?

Questions

Short :

1. Define Product development?
2. Explain the elements of product development?

Long :

1. What is product development? Explain the scope of Product Planning and development.

2. What is product development? Explain product planning and development in Indian Industries.

Keywords

1. Diversification
2. storing costs
3. Expansion
4. Packaging

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Thanks