7.

Public

Interaction

CUSTOMER REQUIREMENTS

Customers Needs

Needs being something which we cannot do without or essential features of products for our safety such as fire retardant fabrics, low cholesterol foods. Manufacturers have to apply safety features to products regardless if the consumer requires them or not.

Customer Wants

Wants being something that we would like and have asked for - largely about products which make the purchaser feel wanted or gives them status. These are not necessary to be present for the product to work e.g. Designer labels on clothes. Clothing would perform as required but the wants of the customer requires the manufacturer to put a label or logo on a product.

Market Research

Researching the target audience will provide the product designer with up-to-date responses from the market place as to their perceived needs. This information can then be incorporated into the design or re-design of a product to make it more effective and to ensure that any incremental improvements or new design meet the needs of the target audience. The effectiveness of meeting the needs of the target audience will to a large extent determine the success of the product in the market. This is to improve sales / guarantee sales of a product as well as cost implications for the target audience.

Designers use different methods when gathering information or finding out what the market want.

7. Public Interaction

MARKET TRENDS

Market trends could include such factors as fashion, styling, economic considerations, technological trends, lifestyle and environmental or 'Eco' trends which will all have an impact on the sales of a product. Therefore marketing strategies entail getting close to the customer whether that be in a mass or 'niche' market depending on the product and its anticipated market share. These are products that are in fashion at the time.

Target Audience

The term *'target audience'* refers to the specific *'niche'* market that a particular product is aimed at. The target audience can be a restricted group of people from a particular socio-economic or developmental group, or it can be a larger group of people from a number of sub-groups who will be the perceived users of a particular product. These are the people who will buy a particular product therefore their particular needs and wants must be reflected in the product development.

Niche market

A specific group of people that would be interested in a particular product. Designers would target specific '*Niche'* markets for a product. E.g. Gardeners for a new gardening aid*.*

INCREMENTAL CHANGES IN PRODUCTS

Slight changes that have occurred in products due to customer feedback or development in technology and thus improved the function of a product e.g. Dyson changing the method of suction to incorporate the cyclonic system which gave the cleaner extra suction power. The introduction of a waste container similar to a plastic bucket to collect the dust rather than using paper bags which would clog and thus reduce the efficiency of the machine.

Apple iPod is a good example of a product that has experienced incremental changes over its lifespan

FACTORS THAT INFLUENCE CUSTOMERS WHEN BUYING PRODUCTS

Consumers will consider what the advantages are of purchasing a product over competing products - is the product better than other similar products on the market. Why do people buy iPods rather than Sony Walkman?

What does the product do - functions, features, performance, aesthetics, price, etc.

Compatibility with existing standards and technology. iPod will only work with iTunes!

Sony Walkman launched in 1979

Dyson Vacuum Cleaner launched in 1993

Unique selling Points—Makes it different from similar products. All successful products have Unique Selling Points. These are the features which make them stand out from the competitors

When launched the original iMac stood out from standard competitors due to its shape and how it differed from the existing computer. The Sony Walkman had Unique selling points when launched in 1979—no other portable personal cassette player was available on the market. The same can be said about the original Dyson vacuum cleaner - did not require a bag to collect the dust.

iMac launched in 1998

These products were extremely successful products when launched due to having Unique Selling Points

TECHNOLOGY PUSH & MARKET PULL

Technology Push is where radical innovation is brought to bear on a product through investing in and exploiting scientific and technological advances. This leads to a radical improvement of a product that has been driven by technology and an example of which is the CD player which came about as a result of defence technologies in the development of lasers. Much of **technology push** results from scientific advances in military or space research. E.g. Microwave, Video Players .

EVOLUTION of SONY WALKMAN due to TECHNOLOGY PUSH

How Technology Push has affected the SONY Walkman.

MARKET PULL

The **market pull** view on the other hand argues that successful innovation comes about as a result of identifying market needs and then undertaking the development work necessary to fulfil those needs. In this view technology is only important as a means of creating the products that are demanded by the customer. Can be the reason for revitalisation of products. The mini is a good example of this - a very popular product in the sixties, the mini was recently revitalised using the same successful shape and principles but using modern features and technology - still a successful product.

Customers still NEED and BUY these products - hence MARKET PULL.
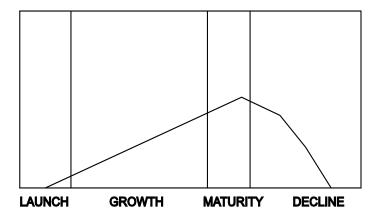
Some products fit into both categories (e.g. mobile phone, earlier ones 'the bricks' were technology push, now very much market pull. Customer NEEDS a type of phone with these features).

Most products which start as **technology push** often become **market pull.**

Product Life Cycle

There are **FOUR** cycles to a products life.

1. **Launch**
2. **Growth**
3. **Maturity**
4. **Decline**

LAUNCH   GROWTH   MATURITY   DECLINE

This shows the Life cycle of a product from launch to death. Some products are re-launched at key times. This could be an improved or modified version of the same product. Mobile phones are a good example of this - same product but improved.

1. Launch

This is when a product is launched on the market. A manufacturer will have to decide when is the best time for this to be done. This can be crucial if the product is going to be a success or not. Products need to be advertised and sold at key times - Christmas is a good example of when games are advertised and launched.

2. Growth

This is the time when a product establishes itself on the market and begins to sell. Some products might have a very steep growth rate if it sells very quickly. Others sell slowly and take more time to sell and reach maturity.

3. Maturity.

This is the point where the product has reached a point where it sells the most.

4. Decline

This is when the product sales drops, the company will have to decide if they will stop selling the product or re-launch the product with minor changes. Mobile phone and iPods are good examples of this. iPod — include a new iPod with more memory 64Gb.

FOUR P's

When a company decides to market a product they will have to consider the 4 P's.

Product
- Whatever the product it needs to sell.
- How does it compare with competition?
- How reliable is the product?
- What attributes or features should the product have based on market research intelligence?
- Is the product different to any other on the market?
- Is there an attempt to sustain brand loyalty?
- Product life cycle.

Price
- Price to fit the target market - Not necessarily the cheapest on the market   - the iPod is one of the best selling mp3 players on the market but one of the most expensive.
- Rate of growth; how quickly does the product sell, will the price have to be reduced during sales to boost sales? Elastic demand - how much can the price change as a result of differing demand—increase or decrease in price when necessary.
- What price will the market be willing to pay?
- Costs of production will have an effect on price of the product.

Place
- How will the product be distributed around the shops or businesses?
- Product reaches target market by being in right place at the right time; No point of Barbecues reaching the Target Audience before Christmas.
- Distribution may be thought of as a geographical factor - problems with distances etc.
- What product sells in different parts of the country/continent?
- JIT: Just in Time - Products arriving at the selling place on time.
- Access to foreign markets.
- Positioning within store – end of aisle, eye level, point of sale.

Promotion
- About image creation for the product and manufacturer.
- Sales push strategies; Coupons or money off pull strategies.
- Advertising media; TV, magazines, websites - Need to decide what times and in which magazines the product will be advertised. Realise what the Target Audience reads and watches.
- Publicity – often free – press releases.
- Personal selling from home.
- Trade fairs and exhibitions.