

## THEORETICAL APPROACHES TO THE PROCESS OF INTRODUCING A NEW PRODUCT TO THE MARKET

### ТЕОРЕТИЧНІ ПІДХОДИ ДО ПРОЦЕСУ ВИВЕДЕННЯ НОВОГО ПРОДУКТУ НА РИНОК

*The article reveals theoretical approaches to interpreting the essence of the concept of a new product, systematizes the views of various researchers on understanding the processes of bringing a new product to the market and managing these processes in real practice, and analyzes the current state of research on this issue in modern scientific literature. Also, the article displays the evolution of scientists' views on the content of different stages of the bringing a new product to the market process in time periodization, the variable sequence of stages in the process of bringing a new product to the market is summarized. The study actualizes the problem of improving the process of bringing a new product to the market, which requires a significant resource of time and significant financial investments to go through all the stages from the ideas generation to the commercialization of the product, as a fundamentally important option for the functioning and development of an enterprise in the present-day highly competitive environment.*

**Key words:** new product, market, new product launch, stages of new product launch process, sequence of stages, innovative product.

*У статті висвітлено теоретичні підходи до трактування сутності поняття нового продукту, систематизовано погляди різних дослідників на розуміння процесів виведення нового продукту на ринок та управління цими процесами у реальній практиці, а також проаналізовано наявний стан дослідженості зазначеної проблематики у сучасній науковій літературі. Виведення нового продукту це досить серйозна та амбіційна задача для менеджерів компанії, маркетингових спеціалістів, представників відділу фінансів, логістики. Вона потребує детального аналізу ринку, стратегічного бачення та операційної міцності компанії. До того ж, запуск нового продукту це управлінський процес, що потребує балансу між теоретичним базисом та практичним досвідом. Різноманітність термінологічних і методологічних підходів та положень до застосування поняття «новий продукт» наразі зумовила необхідність порівняння та застосування різноманітних категорій під час дослідження процесів виведення нового продукту на ринок. Авторами розкрито еволюцію поглядів науковців щодо змісту етапів процесу виведення нового продукту на ринок у часовій періодизації за роками потягом XX – XI ст. Здійснено авторське узагальнення варіативної послідовності етапів процесу виведення нового продукту на ринок. Констатовано, що процес виведення нового продукту на ринок може відрізнятися послідовністю окремих етапів (стадій), а також існуванням додаткових складових, проміжних або доповнюючих етапів, якщо цього вимагає специфіка певної компанії. За результатами проведеного аналізу процесу виведення нового продукту на ринок з'ясовано його змістовні особливості як специфічної діяльності зі створення та донесення до споживачів принципово нових цінностей та переваг, яких до цього не пропонував ринок або певне підприємство. Додатково охарактеризовано такі важливі ознаки процесу виведення нового продукту, як циклічність та ризикованість. Таким чином, дослідження актуалізує проблематику процесу виведення нового продукту на ринок, що у сучасній практиці вимагає значних часових та фінансових витрат для проходження всіх етапів від пошуку ідей до комерціалізації продукту, водночас маючи принципово важливе значення для існування та розвитку підприємства в сучасних умовах високої конкуренції.*

**Ключові слова:** новий продукт, ринок, виведення нового продукту на ринок, етапи процесу виведення нового продукту, послідовність етапів (стадій), інноваційний продукт (товар).

УДК 658:65.012

DOI: <https://doi.org/10.32843/bses.73-6>

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**Formulation of the problem.** The globalization of the economy and the strengthening of integration processes between countries, as well as the availability of information, which is necessary to adopt best competitive practices and experience, play an important role in shaping the processes of new product launch and marketing management in general.

Bringing a new product to market is a very serious and ambitious task for company managers, marketers, finance and logistics. This requires a detailed analysis of the market, strategic vision and operational strength of the company. In addition, the launch of a new product is a management process that requires a balance between theoretical basis and practical experience. Therefore, most companies follow the advanced theoretical developments and their

own experience, analysis and actions of the nearest competitors.

**Analysis of research and publications.** Due to the growing relevance of this issue, such studies are present in the works of both Ukrainian and foreign authors. Theoretical and practical issues of the management of innovation, innovation activities and in particular the management of marketing activities at the stage of launching a new product were researched in scientific papers: E. Scheming [15], B. Eberle [7], Ph. Kotler, G. Armstrong [12; 13], G. Moore [14], P. Drucker [6], F. Haberland [8], S. Firsova [1; 2], D. Chervan'ov [3], as well as in the reports of consulting agencies, such as Booz Allen Hamilton [4; 5] and McKinsey&Company.

It is worth to note that scientists usually inextricably explore both the essence of a new product and

the process of bringing it to market to assess these phenomena in the complex. Despite the fact that rapid changes in market conditions, consumer preferences, development of scientific and technical base stimulate and encourage more theorists and practitioners to explore these issues to uncover new aspects of the topic, the relevance of research on this issue from the end of last century is undeniable. The results obtained in practice. At the same time, despite the active coverage of various strategies for bringing a new product to market, in the modern scientific literature there is no clear method of their application. This is due to the presence of descriptions of basic concepts and logical evidence, certain developments that are relevant to specific cases, urgency, product type, country or group of countries. Therefore, the current theory of bringing a new product to the consumer market is characterized by a lack of systematicity, terminological ambiguity, the presence of different interpretations of the content of basic concepts.

**Setting objectives.** The aim of the article is to review theoretical approaches to the interpretation of the essence of the concept of a new product, systematization of understanding the processes of launching a new product and their management, as well as assessing the state of their scientific research.

The methodological basis of the study was the fundamentals of economics, research of Ukrainian and foreign scientists on management and marketing aspects of launching a new product on the market and the innovation process in general.

In the process of achieving the defined goal of the article, a number of general scientific and specific research methods were used, which were consistently and interconnectedly used during the research: monographic – to study the sources of literature; analysis, synthesis, logical generalization – to identify trends and deepen theoretical fundamentals on the process of bringing a new product to market; system approach – to identify the interdependencies between different approaches and further determine the essence and comprehensive understanding of the process of bringing a new product to market; graphic-analytical method – for visual illustration of the studied processes.

**Presentation of the main material of the study.** Generalization of existing views of various theorists and practitioners on understanding the process of launching a new product suggests that the existing diversity of views is largely due to the fact that marketing concepts and processes are strongly influenced by technology and nature of the products, development of the market where the new product is launched, and an understanding of what to consider as a new product. The latter – a set of terminological and methodological approaches and fundamentals for the application of the concept of "new product" – leads to the comparison and opposition of different

categories in the study of the processes of bringing a new product to market. Consequently, there is a possibility of misperception of these concepts in research, misunderstanding of conclusions about a marketing phenomenon, arbitrary use of results in the further management of processes in real practice. Therefore, before analyzing the approaches to launching a new product, in order to avoid erroneous conclusions, it makes sense to define the basic concept of "new product" and its interpretation by scientists and practitioners (Table 1).

Thus, there are many approaches to the interpretation of the concept of a new product, both in terms of perception of goods or services by consumers and by the manufacturer. And it is clear that there is no precise or unambiguous definition of a new product, because it is one of the elements of the innovation process that can occur at any stage of its life cycle. For example, progressive innovation involves the development of a completely new product, while digressive – classifies even a product with a partial level of novelty as new.

According to the above definitions, it can be argued that the broadest, most relevant and adequate to modern market conditions will be considered an understanding of a new product that is perceived by consumers as a new product or when the company has not had similar experience.

Thus, the concept of a new product will include a new product, technology or service that is the result of scientific and technical research, financial losses and efforts of the research and development department and marketing activities used to further bring this product to market. Of course, such a classification will include different levels of novelty of the product and its elements, which was covered in detail in the works of B. Eberle [7] and E. Scheming [15]. In particular, it should be mentioned the specific and functional changes in the product, branding, areas and effectiveness of application, as well as changes in pricing, type of promotion and type of customer or his needs.

Therefore, it is correct to research all these elements of novelty for further analysis of the process of launching a new product, so as not to limit research to the classical definition of innovation and the stages of the process that correspond to it, but to evaluate the process of launching a new product as a result of work not only a scientists or researchers, but also managers, marketing specialists, designers and digital specialists. Thus, the development and introduction of new products to the market is carried out in accordance with the principles and methods of innovation policy, but does not fully comply with them. This is largely due to the fact that in the harsh conditions currently dictated by the market, where consumer demand, technology and the competitive environment are constantly and rapidly changing, the

Table 1

**Approaches to the definition of "New Product" in the scientific literature**

Author	Researchers' interpretation of the concept of "New Product"
E. Scheming [15]	A new product may arise as a result of changes in the elements of the marketing mix, modification, differentiation or diversification of an existing product.
B. Eberle [7]	The SCAMPER model states that it is not necessary to create a radically new product, because it is possible to create a new product for the market as soon as possible by changing existing ones – in particular by replacing elements, creating product combinations, adapting and modifying, defining other applications, eliminating redundant or reorganizing the product.
Booz Allen & Hamilton [5]	A new product can be considered either a radically new product for the world, or new product lines to enter new markets. Additions to the existing product range, improved versions of the existing product and even repositioned or reduced existing products can also be considered a new product.
Ph. Kotler, G. Armstrong, [12, p. 474; 13, p. 395]	Under new products, the authors understand the original products, improved versions, modifications of existing products, as well as new brands that the company develops on the basis of its research and development department.
OECD [16, c. 158]	New products are goods or services that differ significantly in their characteristics or expected use from products previously produced by the enterprise.
G. Moore [14]	The new product is not only technology that is a unique innovation in the market, but also applications in the form of radically innovative products or services that form the basis of innovative goods and markets.
P. Drucker [6, p. 42]	A new product is not so much an improvement on an existing one as it creates new potential value to meet needs.
S. Firsova [1, p. 14]	A new product is a product that satisfies the needs of consumers in another way or satisfies needs that did not exist before the appearance of this product.
F. Haberland [8]	The new product is the result of scientific and technical, technological, economic or organizational changes in the process of reproduction and is characterized by qualitative novelty of products, production technologies compared to previous ones, sales rate, efficiency and social consequences.

Source: compiled by the authors

survival and development of a company depends on how effectively it creates and markets new products. Consequently, the radicalness of novelty is to some extent inferior to the requirements of speed of launching and difference from competitive offers.

To understand how different and whether there are significant differences in the vision of the process of bringing a new product to market, the article considers the views of scientists and practitioners on the process of bringing a new product to market, the results are presented in Fig. 1 and in Table. 2.

As you can see from the examples, regardless of the date of publication of the study and the type of activity of the author, the essence of the process of bringing a new product to market is almost the same and differs in sequence of stages, as well as in the existence of additional components, intermediate or complementary stages. It should also be noted that the above are unified visions of the process of bringing a new product to market, while the sequence of some stages, their structure may vary according to the nature of the idea, product type and specifics of the company that creates it (Fig. 2).

It should also be noted that the process of developing a new product is not linear, and is not one-sided, because it has a kind of cyclical nature. This is due to the fact that each stage is a certain set of tasks that are performed and form the basis for the next. And, therefore, in the case of making and fur-

ther identifying of certain mistakes, there should be the possibility of a kind of transition between stages. The most obvious example may be an inadequate assessment of the strategy for launching a new product according to the budget. Therefore, there should be intermediate points between each stage of the procedure for assessing the status and progress of product development. This procedure will be especially useful at the stage of prototype design, creating a marketing plan, testing and, as already mentioned – economic analysis. Of course, regular returns to previous stages significantly increase project budgets and extend their duration, which can sometimes be even more significant than the financial factor. But mistakes that are not noticed at any, especially early stage, can cost companies much more. That is why the quality of realization of each stage is very closely linked to the continued profitability of the entire campaign of launching a new product to the market. Because of this, companies pay attention to the analysis of success factors, risks and carefully study, plan each of the stages of creating a new product. The combination of these measures and the strategic approach to the processes of developing and bringing a new product to the market further contribute to increasing the competitiveness of the product, reducing risks in the commercialization phase, saving budgets and forming a coherent system of processes.



Figure 1. Evolution of scientists' views on the content of the stages of launching a new product on the market process in time periodization by years

Source: compiled by the authors

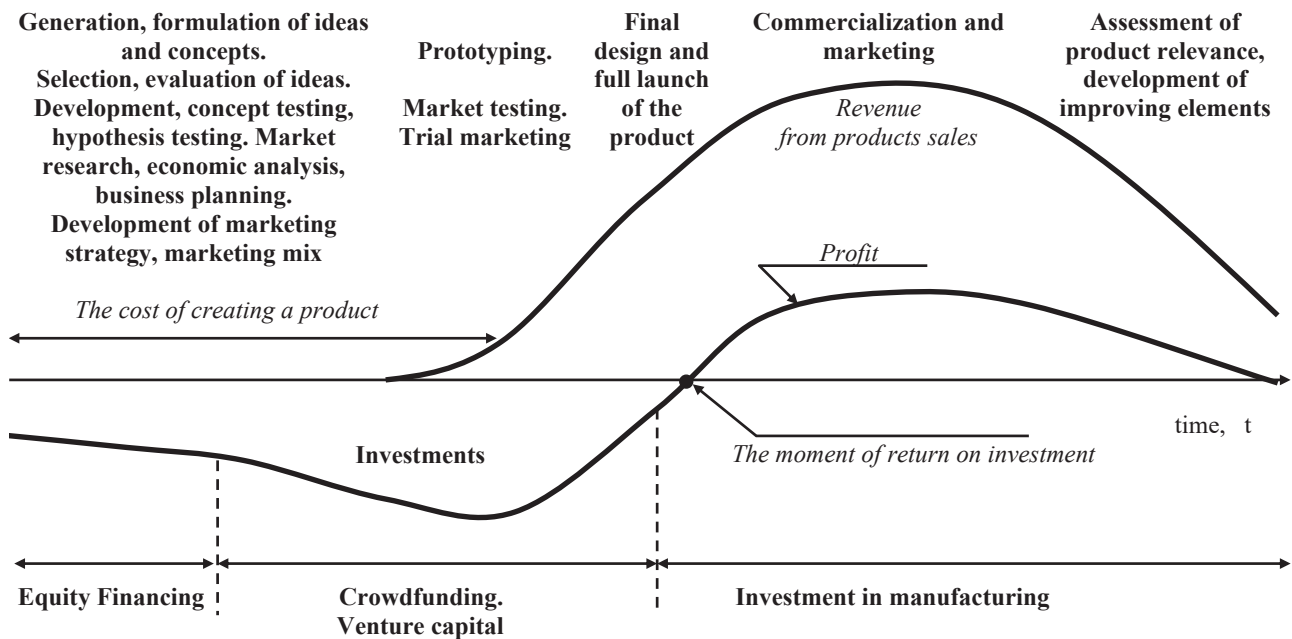


Figure 2. Author's generalization of the variable sequence of stages of the process of a new product launching to the market

Source: compiled by the authors

Table 2

Views of the scientists on the stages of the process of launching a new product to the market

Ph. Kotler, G. Armstrong, (1980 year)	J.Y. Kim, J.H. Hahn, Y.-W. Sawng (2016)	Booz Allen & Hamilton (1982)	A. Hjorth (2021)
1. Ideas generation	1. Ideas formulation	1. Ideas generation	1. Ideas and concept creation
2. Ideas selection	2. Ideas selection	2. Selection and evaluation	2. Market research
3. Development and concept testing	3. Development and hypothesis testing	3. Business-analysis	3. Business-plan
4. Marketing strategy development	4. Business-analysis	4. Concept development	4. Prototype creation
5. Economic analysis	5. Marketing mix creation	5. Testing	5. Crowdfunding
6. Prototype creation	6. Market testing	6. Commercialization	6. Design and manufacturing
7. Trial marketing	7. Launch of the product		7. Marketing and commercialization
8. Commercialization			

Source: compiled by the authors based on [9-13]

**Conclusions.** Thus, the analysis of theoretical approaches and fundamentals for the process of bringing a new product to the market clarifies its substantive features as activities to create and convey to consumers fundamentally new values and benefits not previously offered by the market or a particular company. The concept of a new product is revealed, the views of scientists on this phenomenon are systematized and it is characterized as part of the innovation process, while summarizing and noting the differences from innovation as a deeper and much more complex phenomenon. The authors highlighted and analyzed the approaches to the process of bringing a new product to the market, identified similar and different components in the definitions provided by various theorists and practitioners during the XX – early XI century, as well as additionally reflected its key characteristics such as cyclicity and risk.

The obtained results allow high-quality cyclical processing by a team of marketers and managers of all stages of the process of bringing a new product to the market and reduce potential risks associated with the results of each stage, as well as avoid the most common mistakes (wrong estimated the size of the target market, choice of the wrong launching time moment, incorrectly estimated elements of the marketing mix). Thus, the study raises the issue of improving the process of launching a new product to the market, which in modern practice requires significant time and financial costs to go through all stages from finding ideas to commercializing the product, while being essential for the existence and development of enterprise in today's competitive environment.

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