MKT 530 | New Product Development

Syllabus
Spring 2019
Thu 6:30–9:30 pm / JKP 102

Professor: Larry Vincent
Office Phone: 310.776.8166
Email: laurencv@usc.edu
Office Hours*:*   Thu 5:00–6:00pm or by appointment

Course Description

New Product Development (NPD) is a core managerial activity for most companies today, from multinational corporations to thriving startups. Actual NPD planning policies, processes, and structures vary considerably across industries and organizations. Factors that contribute to this diversity of NPD approaches include the dominant corporate culture, the unique elements of a particular business or industry (purchase cycles, product life cycle, customer target characteristics, distribution patterns, etc.), and more abstractly, the extent to which a company is philosophically and operationally market-driven. Regardless of these differences, marketing managers spend many hours engaged in both routinized and ad hoc new product planning activities that are often more similar than different. In addition, marketing science and managerial experience have yielded normative frameworks that guide managers through a staged sequence of common new product planning activities, whether the product is popcorn, engine parts, credit cards, beer or a mutual fund.

This course in new product planning provides a condensed simulation of the key aspects of a typical new product development planning cycle. The course places particular emphasis on marketing management issues and activities that accompany phases commonly involved in conceiving, developing, testing and launching a new product, service, or other marketing innovation. The course also considers recent approaches in the field, including agile development and crowdsourcing. The course material is particularly relevant to MBAs due to the frequency with which newly minted MBAs are assigned to work on new product development projects.

Successful new products and brands provide above-average contributions to their companies' profits; and they also enhance a company's standing versus its competition, among its strategic partners, and within the financial and other relevant communities. A pattern of successful new product development also positively impacts the corporate culture, and helps companies attract and retain their best employees. Regrettably, the new product failure rate has remained extremely and persistently high for the past 25 years; A.C. Nielsen gauged the 2010 failure rate at 90%. This motivates the course to focus not only on factors that encourage new product success, but also to consider those that often lead to failure. More importantly, the course emphasizes the skills and approaches required to cope with the inevitable failures that _will_ occur in the process, so that students can assess, adjust and refine their marketing strategies to drive innovation and achieve critical business objectives.

Learning Objectives

At the conclusion of this course, students should be able to do the following critical activities related to the new product development cycle:

1. Develop a marketing-driven plan for a new product launch. This includes concept development, market planning and post-launch marketing management. Students will be able to prepare strategies for each stage of the product development process, and they will be better prepared to react to common issues, risks and business challenges.

2. Analyze the most relevant consumer and competitive forces that affect new product launches. Specifically, students will gain insight on the consumer dimensions of new product evaluation and adoption. This insight will include methods used to measure consumer attitudes, gauge usage behavior, prototype product concepts and evaluate go-to-market strategies.

3. Communicate the unique value proposition of a new product through various marketing channels. Students will also learn how to develop or extend a compelling brand image.

4. Apply various approaches to idea generation, prototyping, and creative development. Students will be able to compare the merits and drawback of different approaches so that they can choose and apply them in various product development contexts.

Required Materials

MKT 530 Cases and Reading Packet (available in the USC bookstore digitally and in print form)

Please note that case reading is mandatory and essential to our class discussions. Students are expected to allocate sufficient time each week to read the case and develop preliminary insights and/or questions to share with the class.

Format

MKT 530 is a case-driven course. Cases are "the meat" of the curriculum and they play a vital role in each class session. Because of the interactive, discussion structure of this course, it is essential that students prepare for each class by reading and studying the case material. Students are expected to prepare individually and in case groups (see below).

Grading Criteria

Students will be graded according to four components: (1) midterm and final exams, (2) a group project, (3) case and course polls, and (4) class participation.

Major Assignments	Preparation	% of Grade	Due
Midterm & Final Exams	Individual	40	Thu 3/7 & 5/2
NPD Project	Group	25	Thu 4/25
Case Polls	Individual	20	Ongoing
Course Participation	Individual	15	Ongoing

Midterm & Final Exams

There will be two exams during the semester. Each exam is tied to cases, reading assignments and lecture material. Exams may include short-answer questions (multiple choice, fill-in-the-blank, true/false) and/or one or two mini-cases. Student performance on the quizzes will collectively account for 40% of their course grade.

Group Project

A great deal of real-world marketing analysis, strategy, and planning materializes from work in teams that typically include individuals with different backgrounds, skills, responsibilities, and priorities. This is particularly true in new product or service development. Active, positive, and timely participation from every team member is critical to a successful marketplace launch.

To prepare for this dynamic process in the real world, students will participate in a course-long simulation. Each student will be assigned to a group that will develop a concept for a new product during the semester. The group projects will be presented on the final day of class to the instructor and an invited panel of professional marketing leaders.

Pre-Class Polls

Students are required to participate in several brief polls throughout the course. Most of these polls are tied to the cases that will be covered in each class session. Students must submit their responses to the poll by **10am the day of class**, unless otherwise instructed. Students may also be asked to participate in other course polls. Participation in case and course polls constitutes 20% of a student's total grade. These polls play an important and integral role in the course.

Class Participation

Participation enriches the quality of the classroom and the student learning experience. It also constitutes 15% of each student's grade. As mentioned above, case discussions are a critical component of the learning process for this course. Students should be prepared to participate in the conversation and bring a point of view to class.

The quality of student participation is just as important the quantity of participation. Quality participation means asking questions about key concepts in the material, sharing points of view on issues and decision points in the cases, relating relevant personal experience, contributing to class debates, and building on points raised by others during the discussion.

#this ➔ Read the cases. Product development is an art and a science. There are rarely "right" or "wrong" ways to launch a successful product. This is why participation in case discussion is essential. Cases provide the best platform for students to grasp the challenges and to experiment with approaches in a context that reflects real-world situations. Students who are unprepared to participate in case discussion will lose participation points. Students are encouraged to contact the instructor If there are circumstances preventing them from adequately preparing for class.

Case Groups

Students are expected to form and participate in case groups during the semester. These groups are designed to help students prepare for case discussions during class. Students should consider their case group as the best forum to test extreme points of view regarding the decisions considered in the case, and as a forum to develop points of view before contributing to the in-class discussion. Students may form groups at their discretion. The instructor is happy to connect students in search of case groups.

Guest Speakers

Several guest speakers will join class sessions throughout the semester. Guests are carefully selected based upon their unique perspective and experience in the new product development process. All of the guests joining the class are busy professionals who are taking time out of their schedules to share useful insights with the class. Students are expected to prepare appropriately for guest sessions by reviewing briefing materials provided by the instructor and preparing questions in advance of class.

Classroom Etiquette

The classroom is a professional learning environment. In-class behavior should reflect this. The use of laptop computers, smart phones and other electronic communication devices during class diminishes attention and creates a distraction that disrupts the flow of discussion. Consequently, these devices are not to be used in the classroom, except at the instructor's direction. Violation of these etiquette guidelines may negatively affect a students' participation grade.

Instructor-Provided Course Material

Many materials presented during classes will be posted on Blackboard so that students can review and study. Students are encouraged to check Blackboard frequently during the semester. Material posted to blackboard is intended for student use as part of this course only. All material provided by the instructor is copyrighted and may not be distributed or posted elsewhere without express written permission.

Academic Conduct

Plagiarism – presenting someone else's ideas as your own, either verbatim or recast in your own words – is a serious academic offense with serious consequences. Please familiarize yourself with the discussion of plagiarism in *SCampus* in Part B, Section 11, "Behavior Violating University Standards" https://policy.usc.edu/scampus-part-b/. Other forms of academic dishonesty are equally unacceptable. See additional information in *SCampus* and university policies on scientific misconduct, http://policy.usc.edu/scientific-misconduct.

Support Systems

Student Counseling Services (SCS) - (213) 740-7711 – 24/7 on call
Free and confidential mental health treatment for students, including short-term psychotherapy, group counseling, stress fitness workshops, and crisis intervention. https://engemannshc.usc.edu/counseling/

National Suicide Prevention Lifeline - 1-800-273-8255
Provides free and confidential emotional support to people in suicidal crisis or emotional distress 24 hours a day, 7 days a week. http://www.suicidepreventionlifeline.org

Relationship & Sexual Violence Prevention Services (RSVP) - (213) 740-4900 - 24/7 on call
Free and confidential therapy services, workshops, and training for situations related to gender-based harm. https://engemannshc.usc.edu/rsvp/

Sexual Assault Resource Center
For more information about how to get help or help a survivor, rights, reporting options, and additional resources, visit the website: http://sarc.usc.edu/

Office of Equity and Diversity (OED)/Title IX compliance – (213) 740-5086

Works with faculty, staff, visitors, applicants, and students around issues of protected class. https://equity.usc.edu/

Bias Assessment Response and Support
Incidents of bias, hate crimes and microaggressions need to be reported allowing for appropriate investigation and response. https://studentaffairs.usc.edu/bias-assessment-response-support/

Student Support & Advocacy – (213) 821-4710
Assists students and families in resolving complex issues adversely affecting their success as a student EX: personal, financial, and academic. https://studentaffairs.usc.edu/ssa/

Diversity at USC – https://diversity.usc.edu/
Tabs for Events, Programs and Training, Task Force (including representatives for each school), Chronology, Participate, Resources for Students

Students with Disabilities

USC is committed to making reasonable accommodations to assist individuals with disabilities in reaching their academic potential. If you have a disability which may impact your performance, attendance, or grades in this course and require accommodations, you must first register with the Office of Disability Services and Programs (www.usc.edu/disability). DSP provides certification for students with disabilities and helps arrange the relevant accommodations. Any student requesting academic accommodations based on a disability is required to register with Disability Services and Programs (DSP) each semester. A letter of verification for approved accommodations can be obtained from DSP. Please be sure the letter is delivered to me (or to your TA) as early in the semester as possible. DSP is located in GFS (Grace Ford Salvatori Hall) 120 and is open 8:30 a.m.–5:00 p.m., Monday through Friday. The phone number for DSP is (213) 740-0776. Email: ability@usc.edu.

COURSE SCHEDULE

01

THURSDAY
01.10.19

COURSE INTRODUCTION:
MARKETING INNOVATION AND
NEW PRODUCT DEVELOPMENT

Marketing's innovation domain and an
overview of the product development cycle.

CASE
Harley-Davidson

CHOOSING THE VALUE

02

THURSDAY
01.17.19

NO CLASS — GROUP PROJECT
TO BE ASSIGNED

DUE: SUBMIT NPD CONCEPT

03

THURSDAY
01.24.19

IDEATION & CONCEPT DEVELOPMENT

- How to engage in "design thinking"
  and approaches to idea generation

- Considering consumer psychology and
  new product adoption

- Connecting product concepts to
  perceived needs

CASE
IDEO

SUPPLEMENTAL
1. Use Design Thinking to
   Build Commitment to a
   New Idea
2. Design Thinking Is Fun-
   damentally Conservative
   and Preserves the Status
   Quo
3. Why Consumers Don't
   Buy: The Psychology of
   New Product Adoption
4. Using Product Design
   Strategically to Create
   Deeper Consumer Con-
   nections

04

THURSDAY
01.31.19

FAILURE

What are the common failure factors, and
how do some new product failures bounce
back to become successes?

CASE
Krispy Natural

SUPPLEMENTAL
1. Why Most Product
   Launches Fail
2. Reducing the Risks of
   New Product Develop-
   ment
3. Why Bad Projects Are
   Hard to Kill

05

THURSDAY
02.07.19

PLANNING NEW PRODUCT OPPORTUNITIES

- Methods to analyze opportunities
- Common development frameworks

GUEST TBA

Timberland

1. McKinsey Hand-Out (instructor will provide)
2. Innovation: A Customer-Driven Approach
3. "Value-Driven Product Development: Using Value Propositions to Build a Rigorous Product Roadmap"

MODULE TWO

DELIVERING THE VALUE

06

THURSDAY
02.14.19

CONCEPT TESTING

Gauging consumer interest in new product development concepts.

GUEST TBA

NESTLE FOODS (A)

1. Concept Testing (HBS 9-590-063)
2. Analyzing Consumer Preferences (HBS 9-599-112)
3. Why Big Data Isn't Enough

07

THURSDAY
02.21.19

LINKING TO BUSINESS STRATEGY

- Connecting consumer marketing concepts to business fundamentals
- Break-even analysis
- Strategic frameworks to consider business viability and competitive advantage.

DUE: GROUP RESEARCH BRIEFS

Mountain Man Brewing

1. Note on Break Even Analysis in Marketing

08

THURSDAY
02.28.19

CUSTOMER & COMPETITIVE STRATEGY

- Target market identification
- Behavioral strategies
- Positioning principles and frameworks

GUEST TBA

Chase Sapphire

1. Connecting Ethnography to the Business of Innovation
2. Learning from Extreme Consumers

09

THURSDAY
03.07.19

PROTOTYPING & USAGE TESTING

- Alternative approaches to product development
- Rapid prototyping
- Agile development

MID-TERM QUIZ (Sessions 1-8)

03.14.18 — SPRING RECESS (NO CLASS)

10

THURSDAY
03.21.19

IN-MARKET TEST MARKETING

Managing beta tests, trial runs, and simulated markets

GUEST TBA

MODULE THREE
COMMUNICATING THE VALUE

11

THURSDAY
03.28.19

DEVELOPING BRAND IMAGE

- Understanding brand equity
- Leveraging and extending existing equity vs. establishing new equity
- Developing brand imagery

GUEST TBA

12

THURSDAY
04.04.19

MARKETING COMMUNICATIONS & CRM

- Push vs. pull decisions
- Advertising
- Unconventional promotional programs

GUEST TBA

SPECIAL TOPICS IN PRODUCT DEVELOPMENT

13

THURSDAY
04.11.19

INTEGRATING INNOVATION

- Integrating new products into existing portfolios
- Considering the bigger brand picture
- Helping consumers connect the dots

CASE
ASICS

SUPPLEMENTAL
1. Break Free from the Product Life Cycle

14

THURSDAY
04.18.19

BEYOND PRODUCTS. NEW CATEGORIES

- Considerations and challenges of new categories and experimental contexts
- Analogical thinking

CASE
Hyperloop One

SUPPLEMENTAL
1. Right Tech, Wrong Time.
2. The Influence and Value of Analogical Thinking During New Product Ideation

15

THURSDAY
04.25.19

NPD TEAM PRESENTATIONS

GUEST PANEL OF JUDGES

FINAL EXAM DAY

16

THURSDAY
05.02.19

FINAL EXAM (CUMULATIVE)