Introduction

New products and services are vital to the success of all companies. However, innovation is risky and most new products fail in the marketplace. Very often, ineffective marketing is the primary cause of new product failures. Thus, expertise in the marketing and design of new products is a critical skill for all managers, inside and outside of the marketing department. In this course, we focus on the tools and techniques associated with analyzing market opportunities and then designing, testing, and introducing new products and services. Both quantitative and qualitative approaches are covered. In particular, the course covers the new product development process, market entry strategies, how to generate new product ideas, mapping customer perceptions, segmentation, product positioning, forecasting market demand, and product design. The course emphasizes how to incorporate customers and competitors into all of these aspects of new product development. It is intended for students who are interested in working on new product innovations, both in entrepreneurial firms and in established companies.

Course Material on Stern Web Site

A course web site is available through Blackboard, http://sternclasses.nyu.edu. This site contains the course syllabus. Other important course material like PowerPoint presentations and handouts will be posted during the semester.

Objectives

1. To understand the new product development process.
2. To learn how to integrate the customer and knowledge of the customer into this process.
3. To learn and apply concepts and tools appropriate for new product development analysis.
4. To develop specific recommendations and actions plans for companies facing difficult decisions about bringing new products to market.
5. To go through the new product development process by conceiving and developing your own new product or service.
This draft syllabus is a good description of the general content and assignments for New Product Marketing and Design in Spring 2005.

Readings

Required Books
Packet of Cases and Articles: Available at the NYU Professional Bookstore.


New Product and Brand Management: Marketing Engineering Applications by Gary Lilien and Arvind Rangaswamy. The readings and assignments in this book will be done in teams, so it’s up to you how many books your team needs.

Optional Books (either book is useful for background information, but I don’t expect you to buy either).

Outside Readings: During the semester, we will discuss relevant articles from the Wall Street Journal, New York Times, and BusinessWeek. These articles will relate current events to the concepts taught in class. I encourage you to bring relevant articles to class too.

Course Grade

Your course grade is based on the following components:

<table>
<thead>
<tr>
<th>Component</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Case Exercises (4):</td>
<td>30%</td>
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<tr>
<td>Group Project: Presentation</td>
<td>15%</td>
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<tr>
<td>Report</td>
<td>30%</td>
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<tr>
<td>Class Participation</td>
<td>25%</td>
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Policy for reconsidering grades. If you believe that a mistake was made in grading your assignment, please give me a written explanation along with the original assignment. Since your grade reflects an overall judgment about the quality of your assignment, I will re-evaluate the entire assignment rather than just re-consider one aspect of it.

Course Content

The course uses a combination of:
1. Lectures
2. Cases (four cases will include exercises)
3. Group project
4. Class discussion.

1. Lectures
This draft syllabus is a good description of the general content and assignments for New Product Marketing and Design in Spring 2005.

Lectures will introduce new tools, frameworks, and concepts that are important for conducting a thorough analysis. These lectures will be interactive, so be prepared to ask and answer questions.

2. Cases
Cases are descriptions of real-world business situations that provide opportunities to define and develop new product strategies. Case analyses will illustrate how new product concepts and tools apply to these complex situations. Analyzing cases promotes your decision-making capabilities by developing a process of thinking. Typically, there is no single “right” answer to a case, but there are many weak answers resulting from inadequate analysis. Case discussions also provide opportunities to develop your communication skills. Your contribution to each case discussion will be evaluated immediately after each class.

The success of our case discussions is largely up to you. Good case discussions involve interactions among students. Case discussions are based solely on the material presented in each case. Please do not collect any post-case information. Our emphasis will be on the decision-making process at the time of the case rather than on the decision outcome. Since managers must constantly make decisions without all the information they desire, being able to make decisions under these circumstances is a critical skill.

In our discussions, the roles of professor and students are crucial, but very different. My role is to facilitate the discussion, rather than to direct the discussion in a predetermined direction. You (collectively) must raise the relevant issues. I will make sure that all opinions and recommendations have a chance to be raised. Then, I will help the class synthesize the different perspectives and form a framework for decision-making. I will share my views at the end of each case. However, it is important to remember that the purpose of case analysis is not to determine right and wrong answers (except for some of the quantitative analysis, where there will be right and wrong answers). The validity of any recommendation rests on its logic and incorporation of all relevant facts from the case.

In preparing cases, assume that you are a marketing manager or outside consultant who has been given responsibility for the situation described in the case. Do not focus solely on a description of the facts in the case, rather focus on the following three factors: statement of the problem(s) or decision(s) to be made; description of your decisions or recommendations; supporting logic and analyses. Your recommendations should be based on quantitative and qualitative analysis of case data. Your analysis should anticipate potential objections to your recommendations and illustrate its superiority over alternative recommendations.

Case Preparation
1. Skim through the case to understand the basic setting and framework. This will help you to assimilate the facts of the case when you read it.
2. Review all tables and figures.
3. Now read the case and begin to analyze it qualitatively and quantitatively. What are the key issues? What do you recommend? What alternatives did you consider? Why did you select your preferred course of action?
4. Now with a reasonably good understanding of the situation, you should reread the case to incorporate important details that will impact your analysis.
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5. In preparing the cases, don't look for a single right answer. Each case will raise a number of issues that need to be evaluated. A good recommendation is one that is based on solid analysis, considers multiple courses of action, and integrates its individual elements.

**Note:** If you are unable to attend a case discussion and would like to receive some participation credit for your analysis, please give me a write-up of your analysis prior to our class discussion. This write-up should be more detailed than the brief case write-ups (see next page).

**Hierarchy of Comments**
1. Agreeing with someone else's statement.
2. Describing events in the case.
3. Demonstrating an understanding of the situation/problem in the case.
4. Explaining events in the case and recommending solutions based on analysis of relevant data.
5. Relating your explanations and recommendations to knowledge developed from readings, lectures, and previous discussions.

**Case Assignments**

**Exercises (Group Assignments)**
All groups will turn in exercises for the following cases: Conglomerate’s New PDA, Positioning the Infiniti G20, Forte Hotel Design, and Johnson Wax. These assignments provide hands-on experience working with tools that are important in new product development. Some or all of these tools should be applied to your group project too. Most of the exercises for these cases are in the book, *New Product and Brand Management*. For some of the cases, I will give you additional instructions and exercises.

**Brief Case Write-ups (Individual Assignments)**
For four of the cases, please submit a short write-up (less than one page, double-spaced) describing the 2-3 key issues in the case, your specific recommendations for dealing with these issues, and the results of your analysis that supports your recommendations. These write-ups should be done individually. You may discuss them with your group members prior to writing them up. But each of you should prepare your own write-ups. You may choose any four of the following cases: Airbus, DuPont Kevlar, Innovation at 3M, Aqualisa Quartz, Zenith HDTV, and GolfLogix. The objective of these write-ups is to formalize your recommendations prior to discussing the cases. This leads to more lively discussions and more active learning during class discussions. These assignments will be graded satisfactory or unsatisfactory. I expect that every reasonable attempt at these assignments will be judged satisfactory. You can assume that it is, unless I return it to you. Completion of these assignments is worth 40% of your class participation grade (or 10% of your total course grade).

**3. Group Project**
New product development is almost always the result of a group effort. Therefore, the ability to work in teams is critical to new product success. Similarly, it will be critical to your success in this course. You should begin to form 5-member teams as soon as possible. Quantitative case exercises and your semester-long new product development project will be done with these teams.
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The new product development project will involve a lot of research and teamwork. Your research will likely involve both primary and secondary data collection as well as statistical analysis of that data. I want you to be as creative as possible in terms of generating ideas, developing support for your idea, and preparing a plan for marketing your new product or service.

All projects must be approved by the professor (New Product Proposals are due on February 20).

In determining the grades for your project report and presentation, I will give some consideration to both peer evaluations and feedback from industry experts. These experts will attend the presentations of your projects.

More information about the specific requirements for this project will be handed out throughout the semester.

The greatest cause of disappointing team assignments is the inability to coordinate work effectively. Some ways to prevent this occurrence are:

1. Choose team members who can meet at times that are convenient for other team members.
2. Take notes of your meetings so your decisions and assignments are clear.
3. Plan sufficient time to discuss your analyses, make decisions, and prepare the final report.

I am available to help resolve team conflicts, but the final responsibility rests with the team members. Teams are entitled to issue a written warning to any student who is not contributing fairly or constructively. This warning should state the problems and list specific steps to resolve these problems. All other members of the group should sign the warning and you should give a copy to me. At the end of the semester, you will have the opportunity to evaluate the relative contribution of your team members. When problems cannot be resolved with a team member, the other team members can expel this member by unanimous vote. If you are expelled from your team, you will need to complete all assignments individually.

4. Class Discussion
The best learning experiences occur when students participate actively. You must be prepared to discuss all assigned readings and cases. Your comments should reflect a depth of understanding indicative of thorough analysis (including number crunching) and most often discussions with other students prior to class. You should be prepared to articulate and defend your position when called on to do so. Active participation of all students is required but quality and frequency of comments is more important than duration of each comment. The ability to speak comfortably to a group is a vital business skill. If you are anxious about public speaking, the only way to get better is to practice. The best way to reduce your anxiety is to be thoroughly prepared.

These are the elements I will consider in evaluating your participation:

1. Are you a good listener?
2. Do you contribute to the learning environment by sharing your relevant business experiences and those you read about?
3. Do your comments show evidence of thorough analysis?
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4. Do you ask constructive questions of other students that help to deepen everyone's understanding?
5. Do you distinguish between different kinds of data (i.e., facts and opinions)?
6. Are you willing to share ideas and information in a collegial fashion?
7. Are you willing to test new ideas, or are all comments "safe" (e.g., a repetition of the case facts without new insights)?
8. Are you willing to interact with your classmates to help refine ideas?
9. Do your comments build on earlier comments to advance the discussion or are you merely repeating earlier comments or raising points that do not fit into the current discussion?
10. Do your comments incorporate concepts presented in lectures, readings, and earlier cases?
11. Do you make your points succinctly?

Rules of Class Discussion
Putting down legitimate comments (those not intended to be humorous) is not acceptable. Everyone's input, if not repetitious, must be considered valuable and encouraged. Feel free to question or disagree with other students, however, such disagreement must be based on the idea and not the person. Respect for your fellow students is the *sine qua non* of great discussions and great learning experiences.

Administration

1. You should attend all class sessions, complete all readings before class, and hand in all assignments at the beginning of class. Late assignments will be downgraded. Please minimize disturbances during class, i.e., talking, arriving late, leaving early, etc. Whenever you know in advance that you will miss a class, please let me know. If you miss class, you should get notes from two students to make sure that you do not miss any important material.

2. A blind grading process will be used in the course where possible. Please do not put your name on the case exercises; instead, please use the last four digits of your social security numbers. This process will help to ensure that each assignment is graded solely on its merits.

3. Students are expected to adhere to the school’s honor code. Please ask me if you have any questions about how the honor code applies to a specific situation. For this class, the most important aspect to be aware of is that case exercises and the group project must reflect only the work of those people handing in the assignment. For other cases, I encourage you to discuss them with your classmates, although your brief write-ups should still be prepared individually.

4. No extra credit assignments will be given in this course. Please see me right away if you are concerned about your performance in the class.

5. Deviations from the syllabus may be necessary.
This draft syllabus is a good description of the general content and assignments for New Product Marketing and Design in Spring 2005.

### COURSE SCHEDULE

<table>
<thead>
<tr>
<th>Date</th>
<th>Topic</th>
<th>Assignment</th>
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<tbody>
<tr>
<td><strong>Course Introduction and Opportunity Identification</strong></td>
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<tr>
<td>January 30</td>
<td>Introduction: What is New Product Marketing and Design?</td>
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<tr>
<td>February 6</td>
<td>Opportunity Identification: Market Definition</td>
<td><em>Will and Vision</em>: Foreword, Preface, Chapters 1 and 2</td>
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<td></td>
<td>Market Segmentation</td>
<td>Product Development: A Customer-Driven Approach</td>
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<td><strong>Airbus Case (Case Packet)</strong></td>
<td>New Product Commercialization: Common Mistakes</td>
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<tr>
<td>February 13</td>
<td>Opportunity Identification: Idea Generation</td>
<td><strong>Quantitative Exercise</strong></td>
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<td></td>
<td><strong>Conglomerate’s New PDA (Marketing Engineering)</strong></td>
<td><em>Will and Vision</em>: Chapter 3</td>
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<td>Note on Lead User Research</td>
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<td>Spark Innovation Through Empathic Design</td>
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<td><strong>Design Process</strong></td>
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<td>February 20</td>
<td>Design Process: Perceptual Maps Customer Measurement</td>
<td><strong>New Product Proposal</strong></td>
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<td><strong>DuPont Kevlar (Case Packet)</strong></td>
<td><em>Will and Vision</em>: Chapter 4</td>
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<td>Analyzing Consumer Perceptions</td>
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<td>February 27</td>
<td>Design Process: Customer Measurement Designing for Quality</td>
<td><strong>Quantitative Exercise</strong></td>
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<td><strong>Positioning the Infiniti G20 (Marketing Engineering)</strong></td>
<td><em>Will and Vision</em>: Chapter 5</td>
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<td>The House of Quality</td>
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<td>March 6</td>
<td>Design Process: Conjoint Analysis</td>
<td><strong>Will and Vision</strong>: Chapter 6</td>
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<td><strong>Innovation at 3M Corporation (Case Packet)</strong></td>
<td>Analyzing Consumer Preferences</td>
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<td><strong>Testing and Forecasting</strong></td>
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<td>March 13</td>
<td>Advertising and Product Testing</td>
<td><strong>Quantitative Exercise</strong></td>
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<td><strong>Forte Hotel Design (Marketing Engineering)</strong></td>
<td><em>Will and Vision</em>: Chapter 7</td>
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<tr>
<td>March 20</td>
<td>Spring Break</td>
<td><strong>Enjoy!</strong></td>
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<td>March 27</td>
<td>New Product Forecasting</td>
<td><strong>New Product Progress Report</strong></td>
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<td><strong>Aqualisa Quartz (Case Packet)</strong></td>
<td><em>Will and Vision</em>: Chapter 8</td>
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<td>Researching and Monitoring Consumer Markets</td>
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<td>April 3</td>
<td>Test Marketing</td>
<td><strong>Quantitative Exercise</strong></td>
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<td><strong>Johnson Wax (Marketing Engineering)</strong></td>
<td><em>Will and Vision</em>: Chapter 9</td>
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<td><strong>Product Launch and Life Cycle Management</strong></td>
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<td>April 10</td>
<td>Product Launch</td>
<td><strong>Will and Vision</strong>: Chapter 10</td>
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<td></td>
<td><strong>Zenith HDTV (Case Packet and Marketing Engineering)</strong></td>
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<tr>
<td>April 17</td>
<td>Product Life Cycle Management</td>
<td><strong>Will and Vision</strong>: Chapter 11</td>
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<td><strong>GolfLogix (Case Packet)</strong></td>
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<tr>
<td><strong>Course Conclusion</strong></td>
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<tr>
<td>April 24</td>
<td>New Product Project Presentations</td>
<td><strong>Formal Presentation</strong></td>
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<tr>
<td>May 1</td>
<td>Course Conclusion</td>
<td><strong>New Product Reports Due</strong></td>
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</table>
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**Peter N. Golder**  
Associate Professor of Marketing  
Stern School of Business  
New York University

**Education**  
Ph.D., University of Southern California  
B.S., University of Pennsylvania

**Academic Experience**  
Joined Stern School in 1995  
Previously taught at UCLA and University of Southern California

**Professional Business Experience**  
6 years at Northrop and Conoco

**Research**  
Professor Golder’s research focuses on a variety of marketing strategy issues including long-term leadership, market entry, and branding. His findings have been featured several times in *The Wall Street Journal*, as well as in *The Economist, Advertising Age* and many other publications. His research has won three of the marketing discipline’s most prestigious best paper awards. One award was for the paper making “the most significant long-term contribution to the marketing discipline,” judged five years after publication. Professor Golder has received funding from the U.S. government to study competition in international markets. He has presented his research to academic and business audiences at many domestic and international conferences. He has appeared on CNN to comment on business news stories and consults with companies on his research specialties. A book he coauthored was selected by *Harvard Business Review* as one of the 10 best business books of the year and by the American Marketing Association as one of the five best marketing books of the past three years.
This draft syllabus is a good description of the general content and assignments for New Product Marketing and Design in Spring 2005.

Evaluation of Team Members

Please evaluate all team members. Your evaluations will be held in strict confidence.

In the space below, please fill in the names of your team members (including yourself) and record your evaluation of each. Please sign and return to me in person or in a sealed envelope after your final report is complete.

The peer rating is based on a total of 100 points for all team members. You should award the 100 points based on the following considerations:

1. willingness to carry out assigned tasks
2. ability to meet deadlines
3. cooperation with team members
4. quality of work
5. quantity of work
6. overall contribution to the team.

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<thead>
<tr>
<th>Team Members</th>
<th>Points Awarded</th>
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<td>Total</td>
<td>100</td>
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Additional comments (use reverse side if necessary)
This draft syllabus is a good description of the general content and assignments for New Product Marketing and Design in Spring 2005.
Signature ___________________________
This draft syllabus is a good description of the general content and assignments for New Product Marketing and Design in Spring 2005.

STUDENT INFORMATION SHEET

Name: __________________________

Preferred First Name (if different): __________________________

Major(s): __________________________

Please list your current or previous employer and briefly describe your work.

Please list the marketing courses you have already taken.

Why are you taking this course and what do you hope to learn?