



# ***Design Factors***

*Market*

*Higher*  
***Design & Manufacture***

# Market

- *The opportunity for new products arises from development in technology or customer need.*
- *The effective design of these products does not just consider how they work.*
- *It also has to take into account a broad range of issues and factors including:*
  - *Social*
  - *Cultural*
  - *Market*
  - *Environmental*

# *The Market*

- *Commercial products are designed and made to be sold*
- *The market (potential buyers) at which the product is aimed will influence its development and how it is promoted.*
- *Successful products meet consumer needs and often fill a gap in the market.*
- *To understand the consumer's needs and wants, **market research** should be carried out.*

# Market Research

- *This involves gathering data about potential buyers, competitors and market trends*
- *Accurate market research reduces the risk associated with launching new or improved products*
- *Research may be carried out using a range of techniques e.g. surveys, questionnaires, user trials etc.*
- *To generate useful information the market research must be aimed at the correct market, known as the **target market**.*

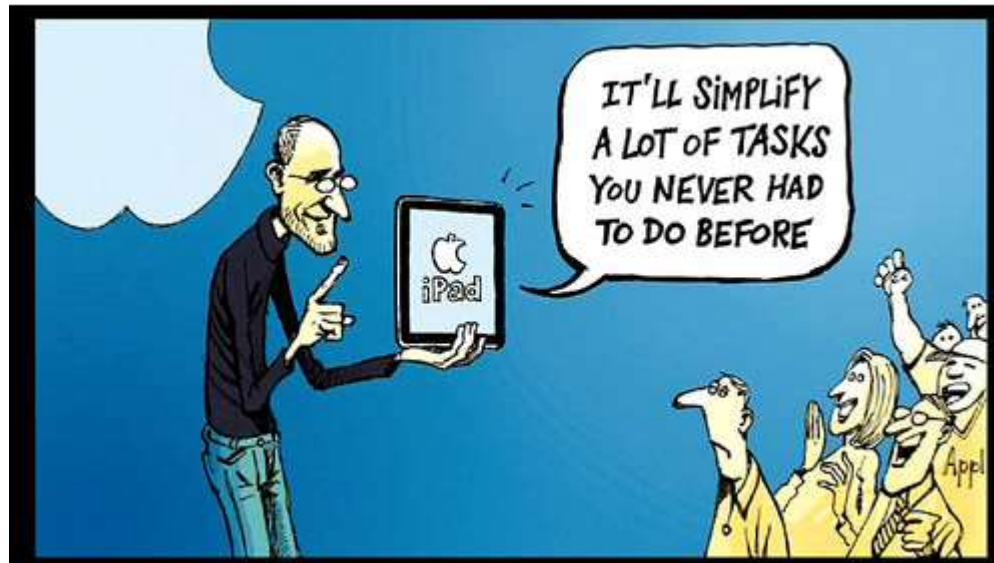


# Target Market

- *Market is everything to do with who will buy the product, where/when it will be sold, how much it will cost etc.*
- *Target Market is the group of people who the product will be aimed at. The target Market is influenced by:*
  - **Geographic:** *region, size of population, climate etc*
  - **Demographic:** *age, gender, income, education, occupation, household size*
  - **Psychographic:** *attitudes, values, opinions, lifestyles*
  - **Behavioural:** *(relationship to a product): brand loyalty, first time buyer, regular buyer, occasions that stimulate purchases*

# Market

- *Market Pull, Technology Push*
  - *Designers identify the opportunity to develop new products based on technology push or market pull*



# *Technology Push*

- *Technology push is when products are re-designed because of changes in materials or manufacturing methods.*
- *This might mean that new materials have become available, with improved properties; or that improvements in manufacturing processes mean a manufacturer can make the product cheaper or more efficiently, which reduces manufacturing costs.*

# *Market Pull*

- Market pull is when product ideas are produced in response to market forces.
- Examples of market influences include:
  - A demand from consumers for new or improved products.
  - A competing product is launched by another manufacturer.
  - A manufacturer wants to increase their share of the market.



# Other Reasons

- *Sometimes a designer will design a new or improved product simply because they believe that the very existence of the product will create market pull.*
- *Designs like this may succeed or fail, depending on consumer demand, how innovative the product is, and the state of the market.*



# Marketing Strategy

- *Marketing strategy is to match products with the people who want or need them*
- *When marketing products, companies need to create a successful marketing mix, known as the four Ps:*
  1. *The right **PRODUCT**: it must have the right features to appeal to the target market*
  2. *Sold at the right **PRICE**: it must be able to compete in the market and make a profit*
  3. *In the right **PLACE**: right place, right time e.g. retail store, online or special events*
  4. *Using a suitable **PROMOTION**: target group need to be made aware of the product.*

# *Beyond Advertising*

- *Marketing is more than just advertising and sales...*
- *...it is everything a company does to get customers and keep them.*
- *It is also about aftersales activity, such as providing support and dealing with complaints*



# *Niche Marketing*

- *Niche marketing concentrates all marketing efforts on a small and well-defined segment of the population*
- *Companies that concentrate on niche segments aim to be successful by being a ‘big fish in a small pond’*
- *This has several advantages and disadvantages*



# *Niche Marketing*

- *Advantages:*
  - *Less competition of production*
  - *Clear focus: easier to target customers*
  - *Builds up market expertise*
  - *Customers may pay higher prices and be more loyal*
- *Disadvantages*
  - *Can be expensive due to low volumes*
  - *Over-dependence on a single product*
  - *Success will attract competition*
  - *Very vulnerable to market changes*

# Brands

- *A brand is much more than simply a name or a logo*
- *A brand consists of all the impressions and experiences associated with a company or product*



# Brands

- *Branding is the sum of things such as:*
  - *Reputation*
  - *Attitude*
  - *A promise*
  - *Logo*
  - *Products*
  - *Feeling*
  - *Customer service*



# Brands

- *Customers can relate to a brand on a rational and on an emotional level can develop **brand loyalty**.*
- *There are different levels of brand loyalty:*
  - **Brand recognition:** *the consumer knows something about the brand*
  - **Brand preference:** *the consumer prefers the brand but will buy another if it is not available*
  - **Brand insistence:** *the consumer will only buy the brand*





# Product Launch

- *It is difficult to launch a new product onto the market*
- *Most launches actually fail!*
- *Reasons for failure:*
  - **Market research**
    - *Little or no research, might be interesting but lacks precise target*
  - **Finance and distribution**
    - *Most of the budget spent on developing the product, slow distribution than expected, supplies insufficient to demand*
  - **Differences in an updated product**
    - *Sales, retailers and target market may not have been educated about the changes to the new product*
  - **Problems with the product**
    - *Issues with quality, function, safety. Price may be too high*



# *Product Recall*

- *The impact of a product recall can be minimised if a company handles it well*
- *If it is, it can actually enhance a company's reputation*
- *It typically involves the following:*
  - *Everyone involved with manufacture and sale is informed*
  - *All customers should be informed of defects and procedures to rectify the problem*
  - *A recall management team should be set up*
  - *Production should be suspended if required*
  - *Quality assurance processes should be updated*

# Patents

- *Designers and Manufacturers often patent their designs, meaning:*
  - *Legal protection for their ideas*
  - *No one can profit from your ideas without permission*
  - *Competitive edge on other manufacturers*
  - *Can be licenced or sold*
  - *Seen as a market leader*
  - *Perceived as innovative*

# Patents

- *Some examples of patents include:*
  - *Flaked cereal by Harvey Kellogg*
  - *Corrugated glass bottle tops*
  - *Toilet roll*
  - *Post-it notes*



# Task 1

- *Who would be the target market for this product?*

