

Session objectives

- The importance of offering a product suitable for the intended market
- Branding decisions
- Physical, mandatory, and cultural requirements for product adaptation
- The need to view all attributes of a product in order to overcome resistance to acceptance



Product

A product is anything that meets the functional needs of customers.

A bundle of satisfaction?

Product

- A product is a good, service, or idea
 - Tangible Attributes
 - Intangible Attributes
- Product classification
 - Consumer goods
 - Industrial goods

Why international product development?

- Previous research suggests that companies that adopt an international and world-market focus when developing and commercializing new technologies or products achieve higher market share and financial performance than those that have a narrower, domestic market focus (e.g. Kleinschmidt and Cooper, 1988).
- International focus provides
 - Improved market focus (Perks and Wong, 2003)
 - Improved commercialisation of innovations (Aaker 1996)

The international PD research

- On critical success factors in product, process, or service innovation (Cooper, 1979; Zirger and Maidique, 1990; de Brentani, 1991; Cooper and Kleinschmidt, 1995).
- product innovation practices and strategies, and their antecedents and performance consequences across a wide range of industries and countries (Montoya-Weiss and Calantone, 1994; Griffin and Page, 1996)
- Generation of new technologies (Hakanson and Zander, 1988; Florida, 1997)
- characteristics and drivers of national innovation systems and impacts on productivity and economic growth (Hoppe, 1993; Kedia et al., 1992).
- cross-cultural differences and similarities in firms' new product development processes and performance (Song and Parry, 1997; Mishra et al., 1996; Souder et al., 1997)
- Multinational enterprises (MNEs) and management of innovation (Goshal and Bartlett, 1988; Nohria and Goshal, 1997).
- Country of Origin effect (Hofstede; Hampdon-Turner; Krisoff et al 2004)

Brand

A brand can be defined as a specific name, symbol or design – or more usually, some combination of these – that is used to distinguish a particular seller's product. (Kotler, 2004)

- Bundle of images and experiences in the customer's mind
- A promise made by a particular company about a particular product
- A quality certification
- Differentiation between competing products
- The sum of impressions about a brand is the Brand Image (Keegan and Green, 2003)

Brand equity

- The added value that accrues to a product as a result of investments in the marketing of the brand
- An asset that represents the value created by the relationship between the brand and customer over time (MacInnis and Park, 2004)

Brand extension

- Brand acts as an umbrella for new products
 - Example: The Virgin Group
 - Virgin Entertainment: Virgin Megastores and MGM Cinemas
 - Virgin Trading: Virgin Cola and Virgin Vodka
 - Virgin Radio
 - Virgin Media Group: Virgin Publishing, Virgin Television, Virgin Net
 - Virgin Hotels
 - Virgin Travel Group: Virgin Atlantic Airways, Virgin Holidays, Virgin Trains

World's most powerful brands

Brand	Brand value (US\$million)	Annual Change (%)	Country of origin	Product segment
1 Coca-Cola	67525	0	US	Beverages
2 Microsoft	59941	-0.02	US	Computer software
3 IBM	53376	-0.01	US	Computer services
4 GE	46996	0.07	US	Diversified
5 Intel	35588	0.06	US	Computer hardware
6 Nokia	26452	0.1	Finland	Telecommunication
7 Disney	26441	-0.02	US	Entertainment
8 McDonald's	26014	0.04	US	Restaurants
9 Toyota	24837	0.1	Japan	Automotive
10 Marlboro	21189	-0.04	US	Tobacco

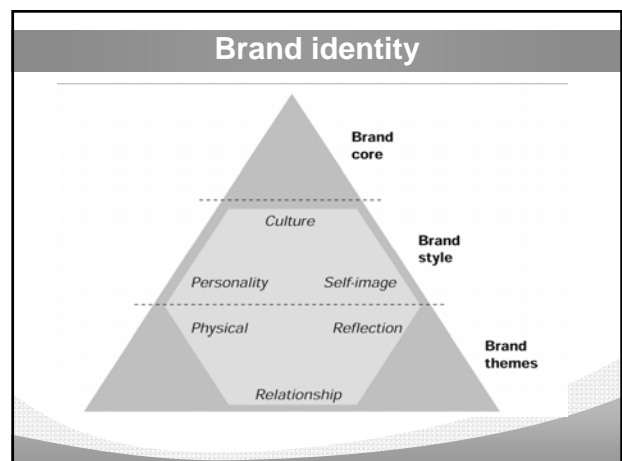
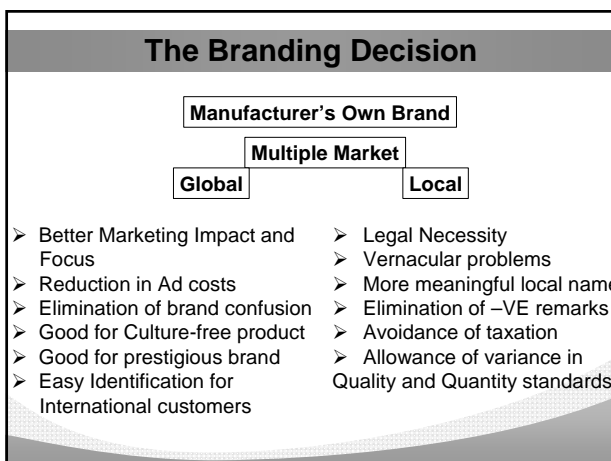
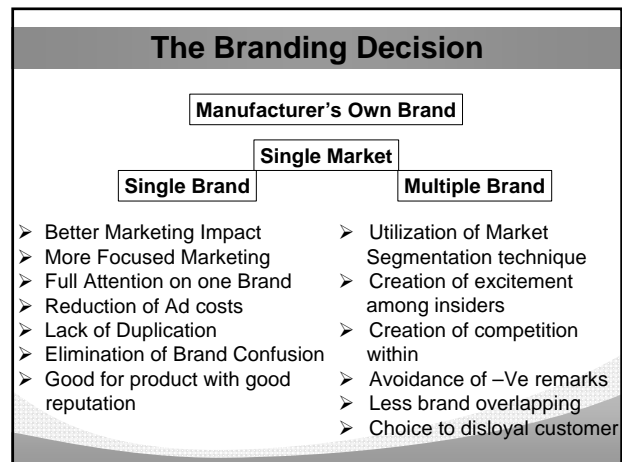
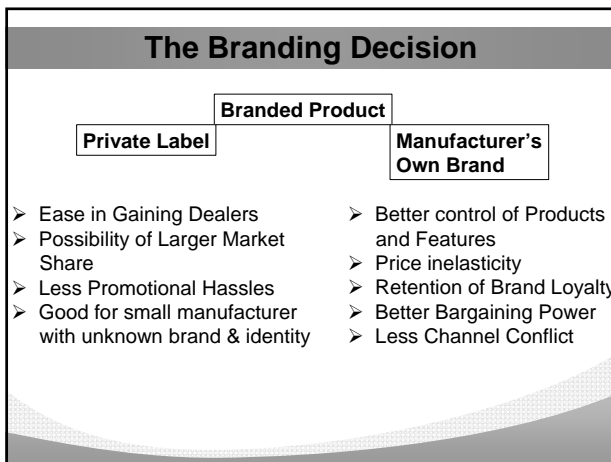
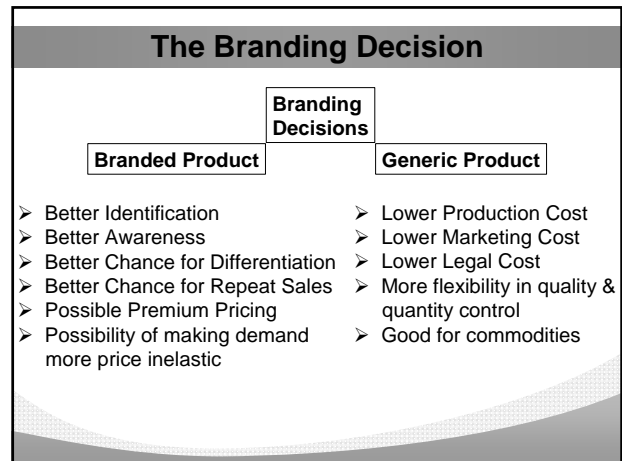
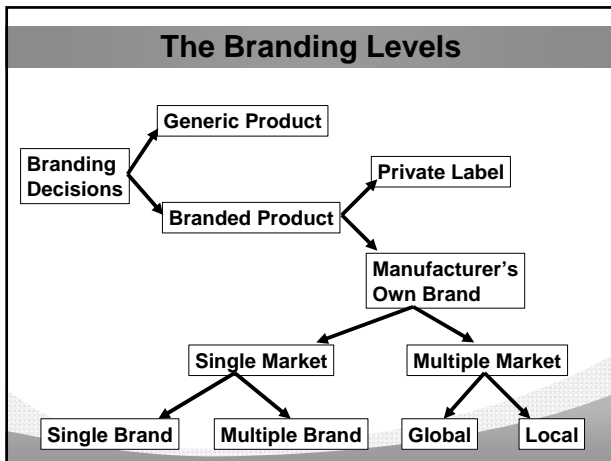
Source: www.intelbrand.com (15/10/2005)

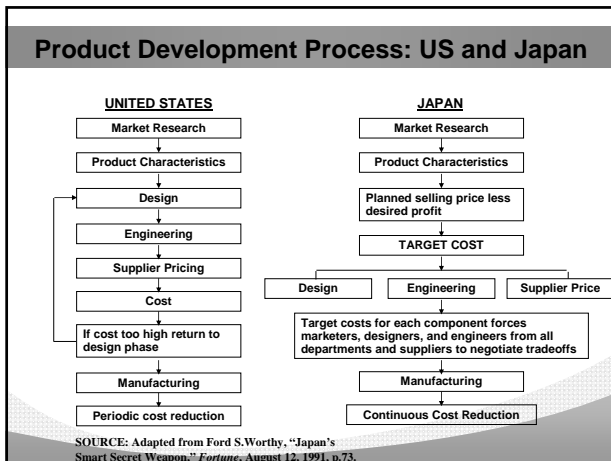
Why Branding?

- To create identification & brand awareness
- Guarantee a certain level of quality, quantity, and satisfaction
- Help with promotion

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To Induce Repeat Sales

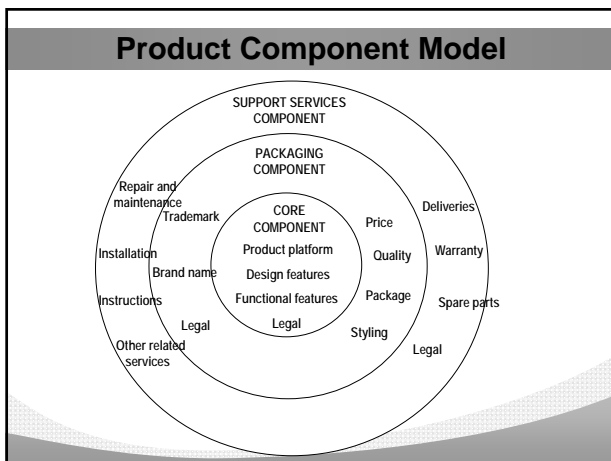




- ### Brands and Culture
- Cultural Influences
 - Innovative Products and Adaptation
 - Diffusion of Innovations
 - Degree of Newness
 - Characteristics of Innovations

- ### Degree of Newness
- Congruent innovation
 - Continuous innovation
 - Dynamically continuous innovation
 - Discontinuous innovation

- ### Characteristics of Innovations
- Relative Advantage
 - Compatibility
 - Complexity
 - Trialability
 - Observability



- ### Would They Sell in the UK?
- *Alu-Fanny*: French Foil wrap
 - *Atum Bom*: Portuguese tuna
 - *Crapsy Fruit*: French cereal
 - *Kack*: Danish sweets
 - *Kum Onit*: German pencil sharpeners
 - *Mukk*: Italian yogurt
 - *Plopp*: Scandinavian chocolate
 - *Pocari Sweat*: Japanese sport drink
 - *Pschitt*: French lemonade
 - *Poo*: Argentine curry powder