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The importance of understanding the market before introducing a new product: A case study

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Abstract

In the product development process, needs analysis is the first stage of the process and without the need analysis, you are risking your product to fail. The needs analysis involves a process of understating the market broadly. Understanding the market when or before introducing a new product is one of the critical aspects of product development. The process of understanding the market is very deep and intense it can be split into two ways, understanding the potential customer and understanding the segment. To understand the potential customer few questions needs to be answered such as: a) What type of customer is the target customer, b) What type of the product is preferred, (in this case study things such as Cab preference ie. single cab or double cab), c) What type of usage will the customer use the product for. There are just a few examples, more questions were asked during the research process, and the dissertation will detail that. These questions will assist and make sure that the new product is well understood and positioned correctly when introduced in the market. Also, many more questions were asked about the segment itself such as; a) How is the segment outlook, b) Is the market ready for a premium pick up, c) Who are the major players. Questions were asked to have a clear overview of the segment and the market at large. The pickup segment in South Africa is very competitive and overcrowded. It is one of the segments that have managed to expand in recent years even in very tough economic conditions. It is therefore not surprising that more and more manufacturers are entering this segment because it shows that it has a bright future. This segment has shown resilience in previous years, managed to grow, and outpaced the industry.