

# Assessment A - Sources of marketing knowledge for NPD

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# Agenda

- Company background ➤ Clair
- PESTLE analysis ➤ Craig
- What business are we in? ➤ Clair
- Internal records ➤ Clair
- What business could we be in? ➤ Jennie
- What business should we be in? ➤ Jennie
- Customer Value Proposition Canvasses ➤ Team
- Conclusions ➤ Jennie

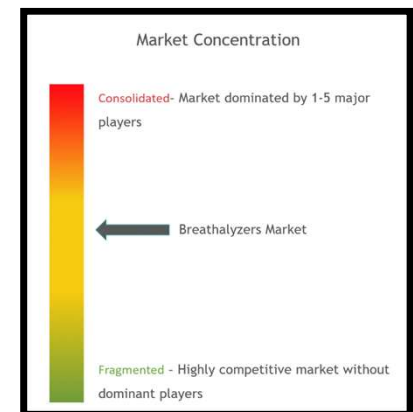
# Company Background

- Manufacturer of electronic breathalyser systems
- Global market for electronic breathalysers anticipated to reach \$19.1 billion by 2027 <sup>[1]</sup>
- First electronic breathalyser developed in 1974 <sup>[2]</sup>
- 'Open innovation' opportunity:
  - Product & Process -> Incremental Innovation
  - Position & Paradigm -> Radical Innovation <sup>[3]</sup>

“One key aspect of market knowledge and marketing proficiency is the collection, interpretation and use of market information in order to reduce the degree of uncertainty surrounding NPD” <sup>[4]</sup>



[5]



[6]

# Marketing Knowledge – Pestle Analysis

|   |                                                                                                                                         |
|---|-----------------------------------------------------------------------------------------------------------------------------------------|
| P | Political factors that could affect the market, such as tariffs, taxation and legislation.                                              |
| E | Economic factors that could affect the market value such as world events, cost of living, unemployment and financial markets.           |
| S | Social factors can impact industry by influencing buying patterns through various social and media trends.                              |
| T | Technology can affect industry direction in the event of innovative breakthroughs, keeping up with new technology also comes at a cost. |
| L | Legal factors can pose regulatory, employment and safety challenges.                                                                    |
| E | Environmental impacts include geographical location, local industry, operational impact of the environment.                             |

# Marketing Knowledge – SWOT Analysis

## Market Value and Social Factors

### Opportunities

- Tax and NI rises increase national healthcare funding and bolster the value of the public health sector
- Online sales offers a cost effective alternative to high street retailers for both B2B and B2C sales
- Consistent YOY rises in health conscious consumers drives up the health and wellness market value

### Threats

- Steep Inflation rates and increases in cost of living limits consumer spending.



# Marketing Knowledge – SWOT Analysis

## Logistic and Operational Factors

### Opportunities

- Tariff exemptions reduce import costs of parts bought from over seas
- Advances in material sciences reduce operational waste and present more recyclability
- Advances in manufacturing technology reduces overheads and offsets some threats from inflation

### Threats

- Unstable financial markets make for volatile commodities such as raw material and logistic costs
- Wholesale energy price rises hike up operational costs and threaten to reduce profit margins
- Both national and international events presents significant risks to the supply chain



# Marketing Knowledge – SWOT Analysis

## Legal and Regulatory Factors

### Opportunities

- In the event where testing is made mandatory by law industries would be forced to spend heavily on testing equipment.
- To maintain throughout businesses would benefit from investing in fastest, most efficient ways of testing.

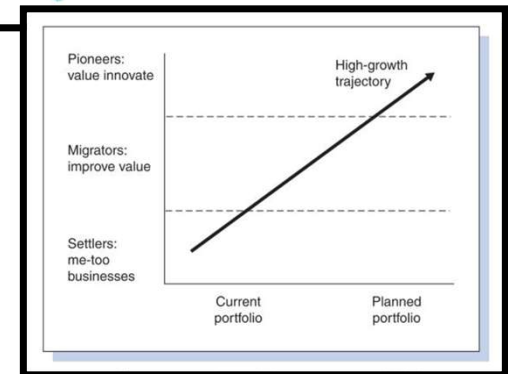
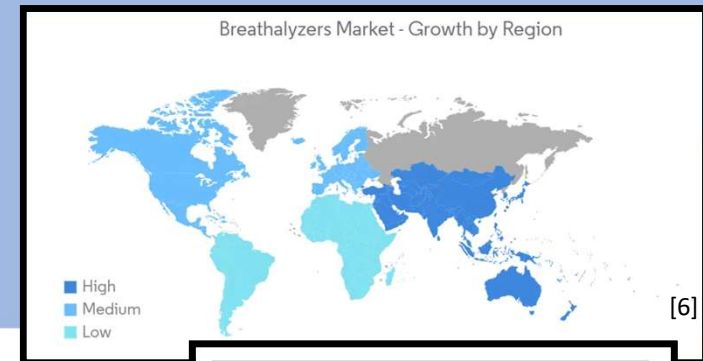
### Threats

- Strict compliance and approval processes apply to medical equipment, this comes with significant financial and regulatory implications



# What business are we in?

- SME (<250 employees, < Eur 50m) <sup>[10]</sup>
- Market predominantly Police and Security Forces
- Business to business economic engine – product and service
- Monopolistic competition – moderately competitive, look at competitor growth and new entrants
- Gearing towards "Pioneer" on the Pioneer-Migrator-Settler map - "Innovation linked to value determines our real growth prospects" <sup>[11]</sup>
- Global geography – largest market North America
- Applications – drug abuse detection, alcohol detection, other applications
- Technology – fuel cell technology, semiconductor oxide sensor technology and infrared spectroscopy <sup>[6]</sup> - new technology?
- Legal requirements – e.g. EN15964 Breath alcohol test devices other than single use devices - Requirements and test methods



# What business are we in?

## Internal records

- Financial – revenue and sales data, profit margin analysis
- Purchasing – current supply chain, cost changes/predictions, supply chain disruptions
- Manufacturing – process capability and capacity
- Human resources – staff skills/knowledge/experience
- Customer surveys – Net Promoter score, client feedback, customer strategies
- Links to Trade Associations
- Sector analysis

# 7Ps of Marketing



1. Are these the right products for our customers?
2. Is the pricing structure appropriate for the market?
3. Sales, marketing and advertising approaches
4. Where are we and where could we be offering our products?
5. How we reassure our customers
6. Having internal processes to deliver the best customer value
7. Selecting, recruiting, hiring and retaining the right people

# What business could and should we be in?

## Radical Innovations

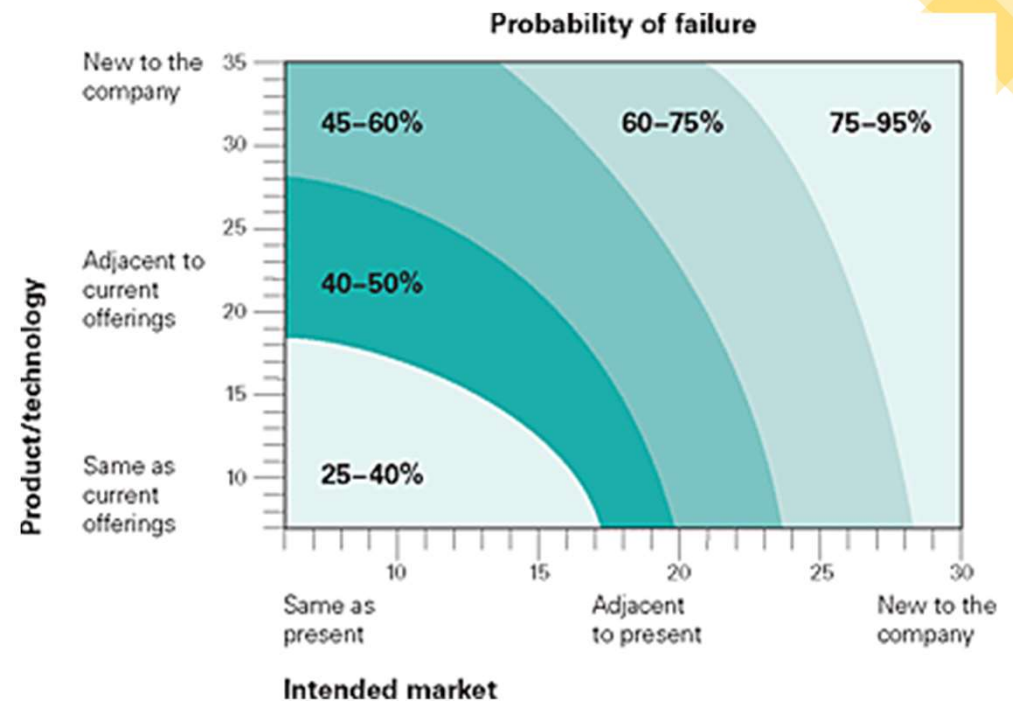
### Core Product Innovation

What is the opportunity?

Risk vs reward

Do we have a unique market advantage we can utilized?

- Sales infrastructure
- Manufacturing process



# What business could and should we be in?

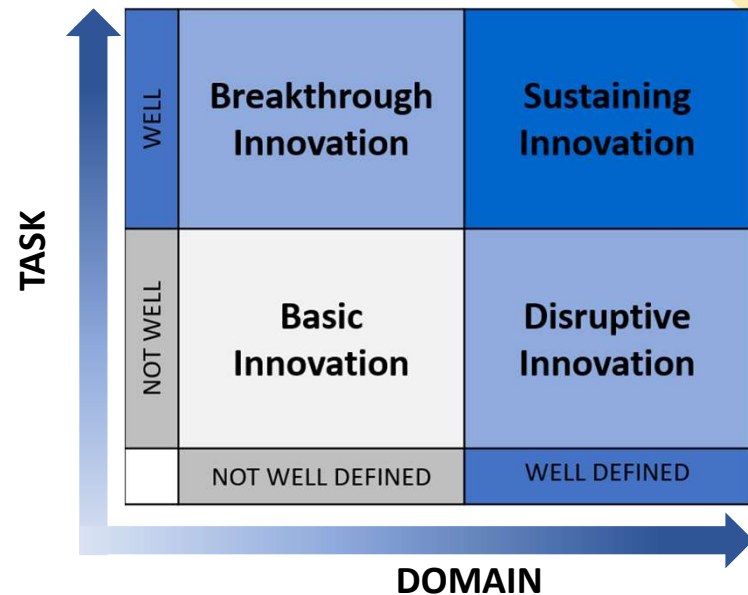
## Radical Innovations

Is Basic Research ready to progress?

- Clinical testing
- Time requirement
- Competitor advancement

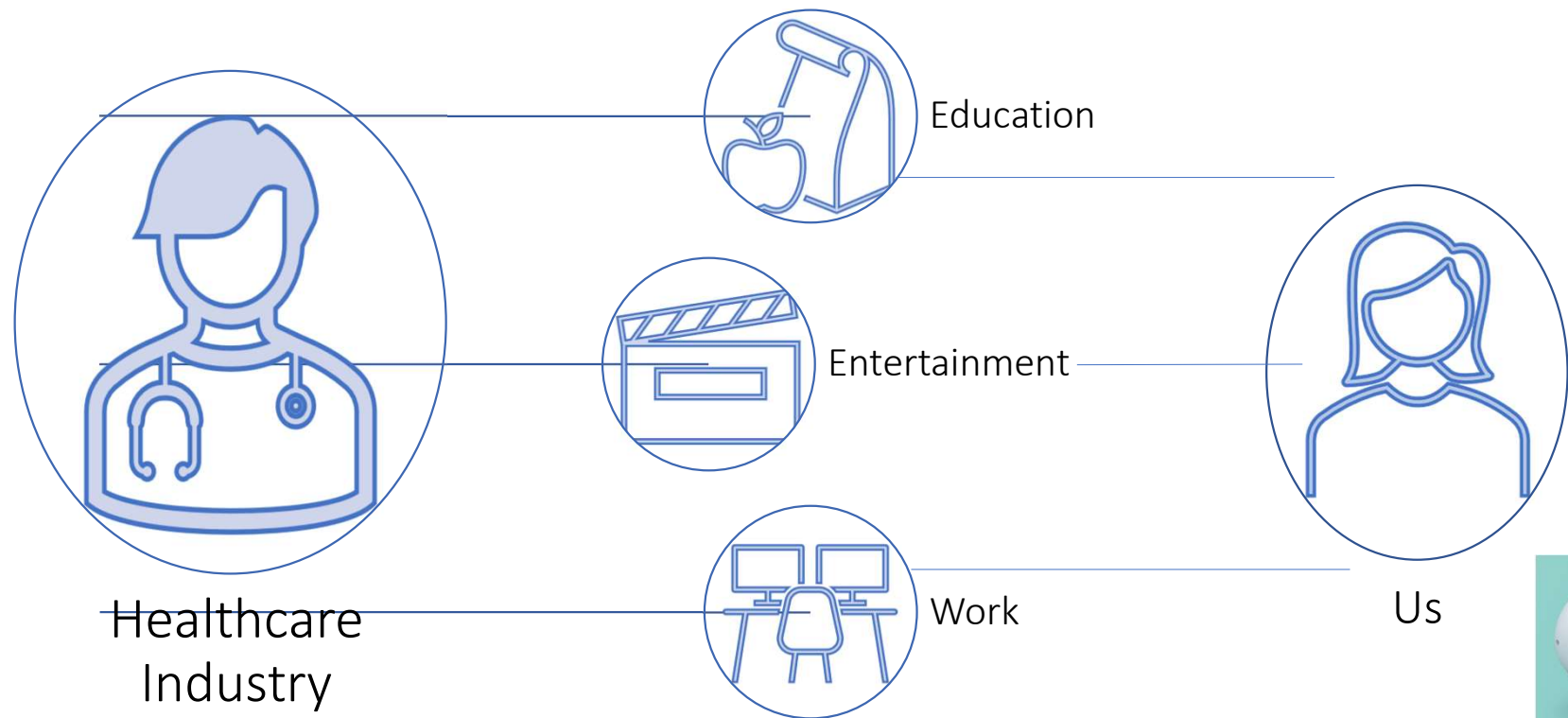
Do we have the technical know-how to pull it off?

- Knowledge transfer
- AI, Cloud and digitalization [16]



What business could and should we be in?

## Market Innovations



What business could we be in?

# Regulations and Requirements



## Regulations

- ❑ Clinical regulations
  - ❑ MHRA / NIBSC
  - ❑ ISO10993 (Biological Evaluation of Medical devices)
  - ❑ Medical Devices Regulations 2002 (SI 2002 No 618) (UK MDR 2002)
  - ❑ General Product Safety Regulations 2005 (SI 2005 No 1803)
- ❑ Data security regulations
  - ❑ ISO 27001 (Information Security)
  - ❑ General Data Protection Regulation (GDPR)
- ❑ Legal ramifications

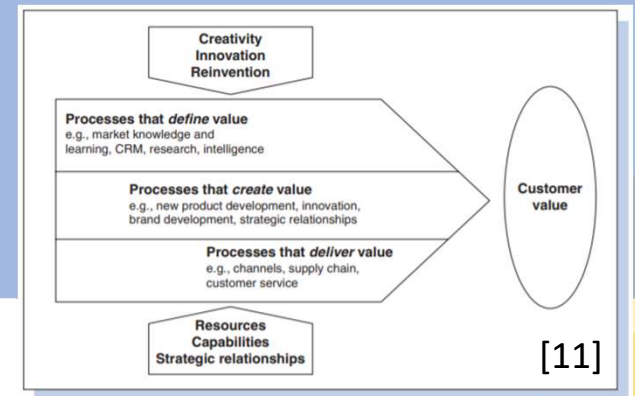


## Requirements

- ❑ Funding
  - ❑ Development plan cost
  - ❑ Clinical testing cost
  - ❑ Manufacturing plan cost
- ❑ Funding opportunities

# What business could and should we be in?

## Model Innovations

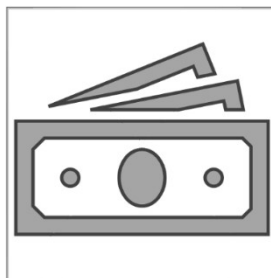


### Business models

- B2B or DTC
- Product and / or Service

### Economic models

- High cost / multi-user
- Low-cost / single-user
- Razor models
- Subscription or cost per use
- Freemium or Premium



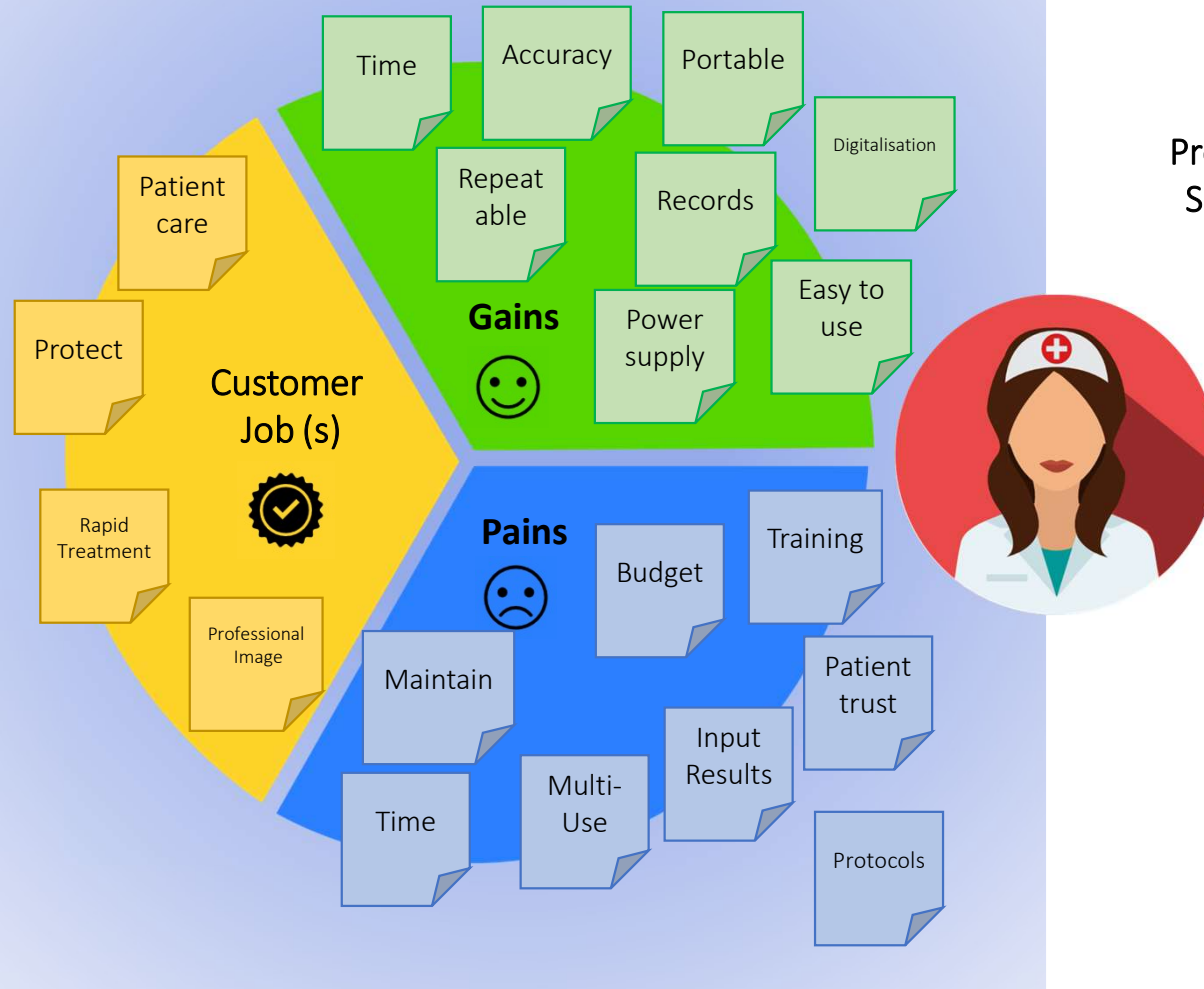
### Product Feedback

- Replacement/ disposal parts
- Durability / weight
- Packaging/ storage
- Result prompt – sound or visual
- Ease of use

# Customer Value Proposition Canvas



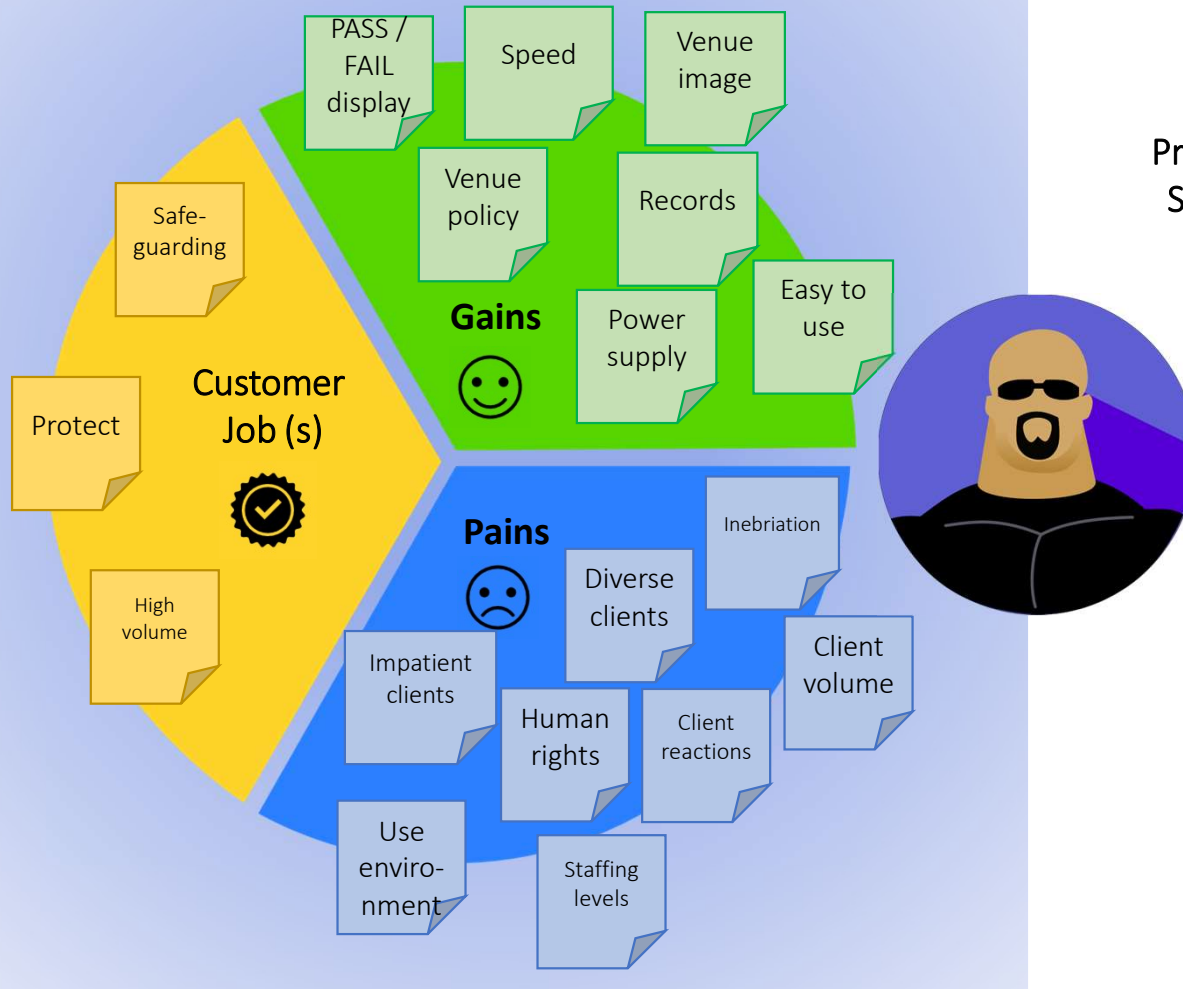
# Value Proposition Canvas: Healthcare Professional



## Product and Service Considerations:

- Accurate
- Easy to use and maintain
- Digitalisation – data security
- Reliability
- Results breakdown
- Different functions (not just COVID)
- Cost of replacement parts
- Easy to clean
- Reduced time for test results

# Value Proposition Canvas: Venue Security Guard



## Product and Service Considerations:

- Immediate results on clear display
- Model for supply of disposable heads
- Device must be robust and waterproof
- Long battery life and quick charging
- Clear usage guidelines (i.e. alcohol)
- Mobile App potential
- Personal information entry and venue data retention (GDPR)

# Conclusions

## The elements of a business model



[21]

"Growing evidence indicates that failure to carry out effective market research can be linked to new product failure" [22]

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