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New Product Development

Produced for the CRC for Premium Quality Wool undergraduate program by;
Dr. Peter Auer, The University of New South Wales.



New Products / New Markets

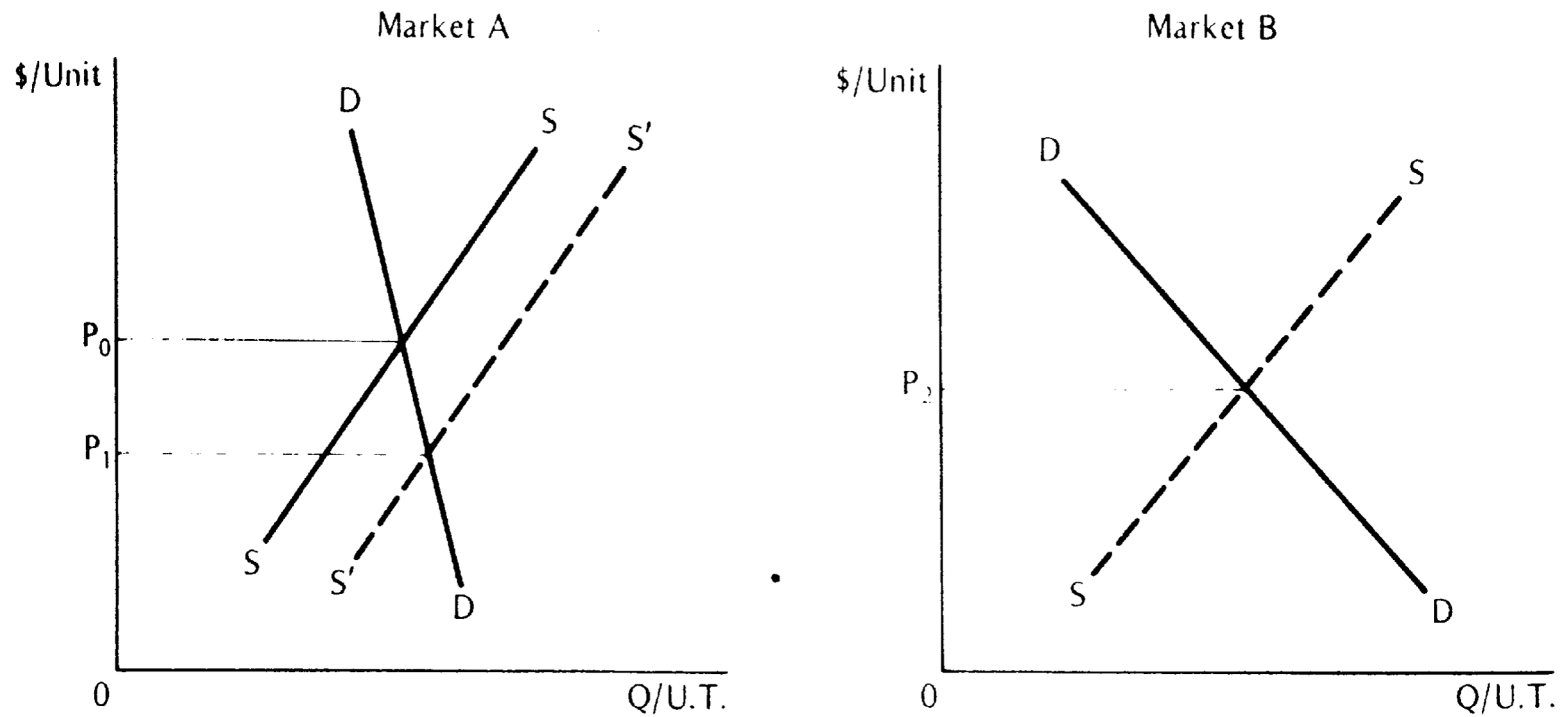


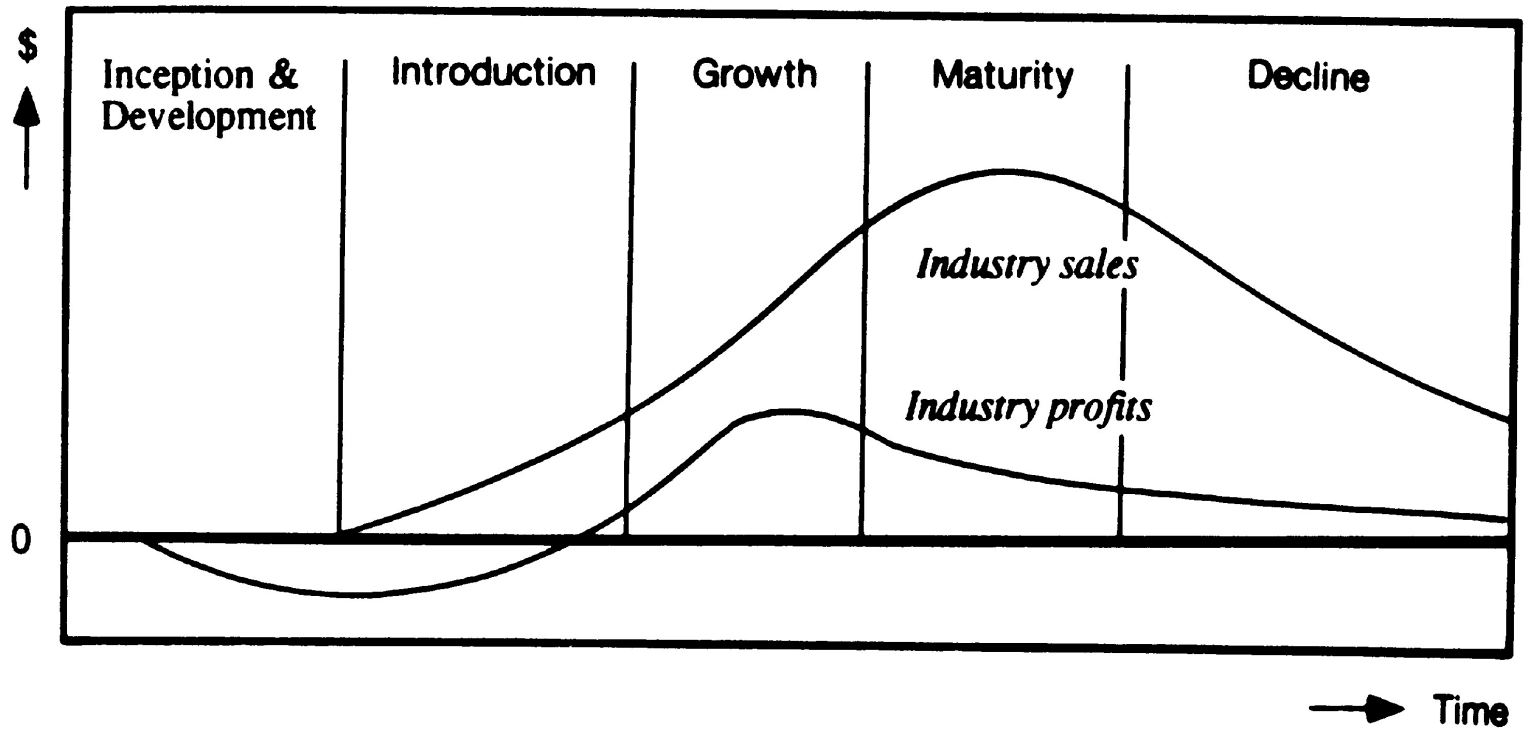
FIGURE 13.6 ILLUSTRATION OF THE IMPACT OF DIVERTING SUPPLY FROM A HIGHLY INELASTIC MARKET TO A SECONDARY MARKET WHERE DEMAND IS MORE ELASTIC OR LESS INELASTIC

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Product Life Cycle Model

EXHIBIT 8.1. The product life cycle.



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Significance

- **New Product Development**
 - includes improvements, differentiation
 - lifetime
 - difficult to predict
- **Profits**
- **Location Changes in Production**
 - domestic market first
 - competition and price
 - shift to low cost location

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Cause of death

- **technological change**
 - shortens lifetimes
- **consumer tastes and preferences**
- **new products needed**
 - reflect changes
 - same product, differentiated
- **competition**

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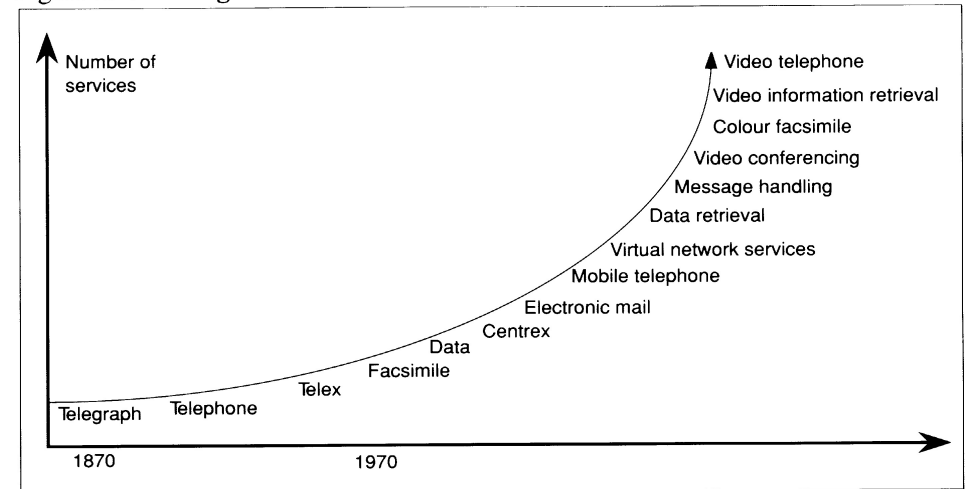
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Technological Innovation

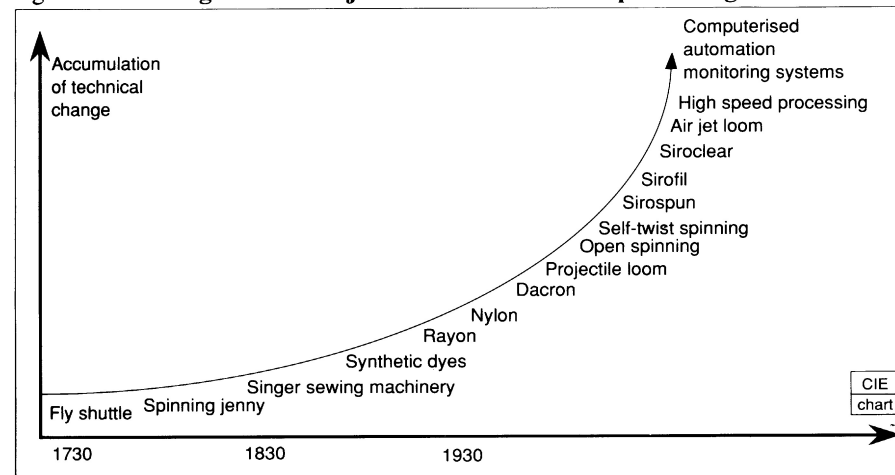
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Figure 2.1: Timing of innovations in telecommunications services



Source: Lipasti and Quelch (1989).

Figure 2.2: Timing of some major innovations in fibre processing



Data sources: International Wool Secretariat; Centre for International Economics.

Peter Auer
Source: Stoeckel, A. et al. (1990)



Some Products outside the Model

- **fashion items**
 - short life cycles
 - no global shifting of production
- **luxury goods**
 - price is not an issue
 - eg. fine wool suits
- **high transportation costs**

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Secrets of Success

- **customer focus**
 - pre-market planning
- **marketing and resources**
- **R&D planning**
- **coordination of functions**
- **commitment**
- **product**
 - very few ideas are actually marketed

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Applicability to Fibres

- **Artificial (cellulosic)**

- Rayon

- first marketed against silk
- poor image, performance related
- Nylon predominated
- re-launched as Tencel in 1980's

- **Wool**

- Optim™
- Sirospun, Solospun

- **Synthetic**

- Nylon

- military
 - parachutes, rope
- consumer
 - hosiery, clothing, tires, carpets
- new products
 - Antron
 - Hlofil
 - microfibres
 - Tactel
 - » ICI to DuPont

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Major References

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- **Berkstresser, G.A. (1984) Textile Marketing Management, Noyes Publications, New Jersey**
- **Dickerson, Kitty G. (1995), Textiles and Apparel in the Global Economy, 2nd edition, Prentice-Hall, Inc., New Jersey, USA**
- **www.dupont.com**

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