

# *Market-based Product Development*

Managing Director  
Kazuki Yamagami



To ensure profits and the continued survival of one's company, the products and services being offered by the company must accurately meet the needs and expectations of the market and customers. For this reason it is necessary for our company to analyze the structure and environmental changes of the target market and try to determine the needs and expectations and customers. At times it is even necessary to create new markets by discovering potential needs that customers themselves are not aware of.

In general, new product development is said to involve two concepts: a "seeds concept" (product development that is conceived based on a company's own technology and competence) and "needs concept" (product development that is based on the needs and expectations of the market and customers/end users). Since the needs of the market are still not clearly perceived when a new market is being created for a brand-new product, a seeds-type concept that primarily utilizes the competence of the company's technology will be the more effective concept; and if successful, will become the de facto standard.

Among our company's products, core parts that are included in the motoronics product field (such as millimeter wave radar and other sensors) can be called "seeds concept"-type products. On the other hand, audio-equipped car navigation multimedia, mobile Internet, digital broadcasting receivers, and many other basic technologies in the so-called "mobile infotainment" field have already been developed and are no longer completely new technological markets. Thus, when application-development-type products such as these are being planned and developed, the products are expected to be planned and proposed based on the "market needs concept."

At the same time, due to the penetration of the Internet and i-mode, markets targeted by our company are becoming more open and personalized. That is, the environment is changing into one in which we must deal with more open, informed "individuals" rather than closed single markets (customers), such as specific companies and industries, which have been the targets of our marketing efforts in the past. In other words, we must shift from "one-to-one"-type marketing to "one-to-all"-type marketing. In the midst of an environmental change such as this, "product out (technology out)" marketing based on the seeds concept will not be sufficient. Rather, marketing that is tied to the market and customer (end user) is needed.

This is true not only in the aftermarket business but in the OEM business aimed at automobile manufacturers. Here, too, a product proposal must not only be based on the demands of the automobile manufacturer who adopts the product but must be based on the needs and expectations of the automobile user (customer). In short, the proposal must be based on or tied to the market. Of even more importance is the fact that the proposal (or product) must have "value" to the ultimate customer, or end user, of the automobile. In other words, the proposal (or product) must demonstrate that it can satisfactorily hold its own under the close scrutiny of automobile end users.

Fortunately, since our company has an aftermarket business (marketing/supplies) that constantly and closely scrutinizes product QCD, including not only service but corporate behavior, there is always contact with the end user.

One of the major missions of the aftermarket business is to provide high-speed feedback of information related to the actual and potential needs, expectations, delights, and complaints of the market and customers, and to dynamically utilize that feedback in product planning and product proposals. In the future we hope to create truly strong products that not only reflect the needs of customers but have high "value to customers" and achieve "something beyond their expectations."