Table of Contents

FOREWORD	1
CHAPTER 1	Banking—An Industry in Transition 3
	Government Deregulation 5 Technological Change 7 Cultural and Demographic Change 7 Economic Climate Change 8 Industry Consolidation 9 New Competitive Challengers 10 Managing for Change 11 Summary 12
CHAPTER 2	Product Development— 13 A Dynamic Management Process
	The Strategic Plan Link 15 The Product Planning and Management Loop 15 The Product Development Function 18 Product Development Rollout 18 The Product's Marketing Plan 22 Summary 26
CHAPTER 3	Market Research Role—Identifying 29 Needs and Quantifying Opportunity
	Employee Opinion—An Overlooked Resource for New Product Ideas 32 Product Evaluation Matrix 33 Qualitative Research—Consumer Focus Groups 35 Quantitative Research 36 Evaluating Opportunities for New Products 38 Market Segmentation—The Product Development Process 41 Consumer Needs Analysis 48 Summary 50

CHAPTER 4	Product Analysis and Design	53
	Product Planning and Management 55 Synchronization of Corporate Strategy 56 Competitive Positioning Assessment 57 Evaluation of Alternatives for a Product 58 Profit/Market Share Performance Analysis 60 The Product's Adoption Curve and Life Cycle 65 Product Line "Gap" Identification 68 Summary 69	
CHAPTER 5	Product Profitability Measurement Tools	73
	Account Profitability—A Few Considerations 75 Measuring Relationship Profitability— The Affect of Technology 75 Measuring Account Profitability— The Federal Reserve's Functional Cost Analysis Program 76 The "Breakeven Analysis" Concept 80 Measuring Financial Relationship Profitability 85 Measuring Market Segment Profitability 93 Issue: Market Segmentation Profitability 101 Summary 109	
CHAPTER 6	Product Pricing Strategy Execution	111
	Overview of Pricing Strategy Objectives 113 Guidelines for Pricing Strategy 117 The Price-Band Concept of Pro-active Pricing 121 Developing a Pricing Simulation Model 130 Market Simulation Model 136 Summary 142	
CHAPTER 7	Product Communication Strategy	145
	Elements of a Communication Plan 147 Budget Preparation 149 Internal/External Implementation of a Communication Plan 151 Summary 165 Sample Communication Pieces 169	

Table of Contents

CHAPTER 8	Case Studies in New Product Development	185
	Market-Rate Passbook Case Study 187 Home-Equity Credit Products Case Study 201	
APPENDIX A	Opportunity Analysis Pricing Model	233
	Pricing Analysis Methodology 235 Pricing Analysis Evaluation Process 236	
APPENDIX B	Media Usage Research Tables	247
	Television Viewing Habits 248 Radio Listening Habits 256 Newspaper Habits 264	
APPENDIX C	Example of Consumer Research	265
APPENDIX D	Samples of Product Development Worksheets	275