A Literature Study of Marketing Strategies in Product Development Using Design Thinking Method

Ridho Muhammad[1], Laura Lahindah[2]

[1, 2] Sekolah Tinggi Ilmu Ekonomi Harapan Bangsa, Indonesia
*Correspondence author: ridho.rdm@gmail.com

Abstract

Objective study This is for reviewing marketing strategies in product development using the design thinking method. As for the method of study This is a qualitative study, and research qualitative is a research method used to understand social phenomena in depth. As for Types of research used by researchers, i.e. A literature study is carried out by researchers by collecting, studying, and analyzing references or sources obtained in written form, such as books, journals, articles, documents, and other sources of information that are significant to the topic or title being researched. And then the researcher analyzes and draws conclusions to find answers to what the researcher is studying. The results of the research show that a marketing strategy based on design thinking is a holistic approach that brings significant changes to the way companies approach product development and brand communication. By prioritizing a deep understanding of user needs, embracing creativity and innovation, and being responsive to consumer feedback, companies can achieve a competitive advantage and build strong relationships with consumers.

Keywords: Strategy, marketing, design thinking

INTRODUCTION

Product development is a process that is essential for the survival and growth of a company. To achieve success in business, companies must be able to understand the market, identify opportunities, and develop products that meet consumer needs (Adha et al., 2023). Therefore, basically, marketing strategy plays an important role in this entire process, helping companies introduce and market new products effectively. This research will discuss in detail marketing strategies in the context of product development.

According to Aman et al. (2020), product development refers to a series of activities designed to bring a new or existing product to a better level. It involves research, design, testing, and launching new products or improved versions. Furthermore, according to Asshiddiqie & Supriana (2023) product development is not just about creating new physical goods but also involves innovation in services, user experience, and solutions that solve problems.

Actually, marketing strategies help companies determine the position of new products in the market. By understanding customer needs and wants, companies can develop marketing messages that differentiate their products from competitors and attract the desired target market. One of the main marketing objectives in product development is to increase product awareness among consumers. Through the right marketing campaigns, companies can ensure that their target market is aware of the existence of new products and their benefits. Effective marketing strategies can create significant demand for new products. By building enthusiasm and desire among consumers, companies can achieve long-term success for the products they develop (Darmalaksana, 2021).

Marketing is not just about the initial sale but rather ensuring long-term customer satisfaction. By understanding customer needs and providing satisfying solutions, companies can build a loyal customer base that supports product growth (Rusmini et al., 2022). Putri & Pratama (2023) explain that marketing strategies help companies manage competition effectively. By understanding competitors' weaknesses and strengths, companies can organize product differentiation and marketing tactics to win competition in the market.

The product development steps according to Soedewi et al . (2022), namely: First The first step in product development is identifying opportunities in the market. Both companies need to conduct market research to understand trends, consumer needs, and gaps that can be filled by new products. Third, after opportunities are identified, the next step is to plan product development. This involves determining the objectives, required resources, schedule, and budget for the entire development process. The four-d product design is a critical stage in development. This involves developing the product concept, physical design, and technical specifications. Product design must consider consumer needs, functionality, and market competitiveness. Fifth, after the product design is complete, the next step is prototype development. This involves creating product models that can be tested and evaluated before mass production. The six prototype products had to pass a series of rigorous tests and evaluations to ensure adequate quality, safety, and performance. Evaluation involves consumer opinion, field testing, and continuous improvement. All seven product launches involve developing an effective marketing strategy. This includes selecting distribution channels, setting prices and promotions, and determining sales strategies to reach the desired target market.

Meanwhile, the implementation of marketing strategies in product development, as explained by Zaki and Sukoco (2019) includes:

1. Target Market Understanding: It is important for companies to have a deep understanding of their target market. It involves analyzing demographics, psychographics, and consumer behavior to form the right marketing strategy.
2. Product Differentiation: In developing a marketing strategy, companies need to determine how they will differentiate their products from competitors. This could involve differentiation through quality, features, price, or other added value.
3. Right Pricing: Right pricing is the key to successful product marketing. Companies need to consider production costs, competitor prices, and consumer perceived value to determine optimal prices.
4. Effective Promotion: Promotion strategies must be designed to reach the target market effectively. This involves selecting appropriate media, compelling messages, and campaigns designed to build consumer awareness and interest.
5. Distribution Channel: The choice of distribution channel can have a major impact on the success of the product. Companies need to choose channels that best suit product characteristics and consumer preferences.
6. Performance Analysis and Improvement: Once a product is launched, it is important to continuously analyze its performance. This involves monitoring sales, customer feedback, and competitor analysis to identify opportunities for improvement and further development.

Beltagui (2018) explains several challenges in product development, namely: the market is always changing, and companies have to face a high level of uncertainty. Marketing strategies need to be flexible and able to adapt to changing consumer needs and preferences. Aggressive competitors can be a serious challenge in product marketing. Companies need to understand competitors' tactics and develop strategies to maintain and increase market share. Rapid technological change and innovation can make old products obsolete quickly. Companies need to invest in ongoing research and development to remain competitive. A lack of understanding of customer needs and desires can lead to the development of products that are not suited to the market. Companies need to continue to improve their understanding of consumers through continuous market research and continuous innovation.

For innovation, companies need to develop a design to market their products through design thinking. Design thinking, according to (Schleinkofer et al., 2019), is an approach creative and solution to pressing problems _ understanding deep to user end. Phenomenon This has penetrated various fields and states, changed method thinking, and worked on a lot of organizations with focus on the four pillars of empathy, definition, ideation, and prototyping. Design thinking promotes based innovation based on understanding deep needs and desires (Shafiee et al., 2020).

Meanwhile, Herbert A. Simon explains the concept of design thinking as follows:

1. Satisficing: Simon introduced the concept of "satisficing," which refers to the way people make decisions by choosing a solution that is satisfactory rather than seeking the optimal solution. This thinking creates the foundation for design thinking by emphasizing the importance of exploring diverse solutions and not fixating on solutions that seem optimal. In the context of design thinking, it encourages the search for creative ideas and adequate, even if imperfect, solutions.
2. Creative Thinking and Innovation: Simon understands that the process of creative and innovative thinking involves more than pattern recognition or traditional logic. Design and creativity often involve the creation

of new patterns and the ability to see solutions outside the boundaries of existing patterns. This principle is consistent with the Design Thinking view, which emphasizes creative thinking, out-of-the-box ideas, and the development of innovative solutions.

3. The Importance of Understanding Context: Design thinking often places special emphasis on a deep understanding of the user's context. Simon, in his emphasis on decision-making, also highlights the importance of understanding as much context and information as possible before making a decision. In the context of design thinking, this means deeply understanding user needs and experiences before designing a solution.

4. Iterative Process: Design thinking involves an iterative process where solutions are developed, tested, and refined over and over again. Although Simon does not directly relate to the concept of iteration in relation to design, his view of decision-making as an iterative process can be connected to the iterative principles underlying design thinking (Gould et al., 2019).

According to the results of previous research conducted by Zaki and Sukoco (2019) the results were as follows:The use of design thinking is the main tool in running a consulting business at Labtek Indie Bandung. Design thinking is used as an opening to understand client needs in depth and then continue with various solutions obtained from the design thinking process. With design thinking, the process of preparing a solution search plan becomes easier, transparent, and structured, which can result in increased consultation effectiveness. In design thinking, which is usually used in the product design process and develops in other processes in various fields such as politics, social work, and business, it can also help to develop competency-based creative learning patterns.

Soedewi's research results et al . (2022), namely the application of the design thinking method in designing the Kirihuci MSME website, have provided convenience for its users. This can be seen from user feedback carried out at the testing stage (usability testing) regarding the appearance of the website interface design with good results. From the results of previous research, it can be seen that design thinking makes a big contribution to increasing creativity and product sales. For this reason, researchers are interested in conducting research with the title Literature Study of Marketing Strategies in Product Development Using the Design Thinking Method.

METHOD

The research method used in this research is qualitative. Qualitative research is a research method used to understand social phenomena in depth. Qualitative research does not just describe phenomena but also seeks to understand the meaning and context of these phenomena (Yusanto, 2020). This type of research is library research, which researchers carry out by collecting, studying, and analyzing references or sources obtained in written form, such as books, journals, articles, documents, and other significant sources of information with the topic or title researched. And then the researcher analyzes and draws conclusions to find answers to what the researcher is studying.

RESULTS AND DISCUSSION

Design thinking is something utilizing discipline, sensitivity, and a method to connect the need of the public with what can be realized in a way that is worthy of facet strategy business, creating mark customers, and seeing opportunity markets (Manganonkar, 2023) According to Ward et al . (2009), there are three critical stages in the design thinking process, namely: the first stage involves inspiration, invention conditions, motivating surroundings, and searching for a solution; the second stage involves encompassing ideation, income, development, and testing leading ideas on a solution; and the third stage involves implementation, planning, and introducing the solution to the market. Meanwhile, according to Herbert A. Simon's view regarding the design thinking process,

1. Pattern Recognition and Problem Solving: According to Simon, human thought processes are often based on recognizing patterns in their minds. In a design context, this can refer to the recognition of previously recognized patterns of problems and solutions. Design thinking adopts this view by inviting us to look at more than one pattern and look for new creative solutions.

2. Decision-Making Processes and Satisficing: Simon proposed the concept of "satisficing," in which individuals often choose a satisfactory solution rather than seeking the optimal solution. In the context of design thinking, this encourages us not to get too hung up on seemingly optimal solutions but to seek adequate and creative solutions to the problem at hand.

3. Information Gathering Phase: Simon emphasizes the importance of gathering as much information as possible before making a decision. In the design thinking process, the inspiration phase can be associated with this stage, where information about user needs and context is gathered in depth to form a basis for understanding.
4. Iterative Process: Simon recognized that decision-making and problem solving often involve an iterative process. This is in keeping with the iterative approach that is characteristic of design thinking, where solutions are developed, tested, and refined repeatedly (Scheinkofer et al., 2019).
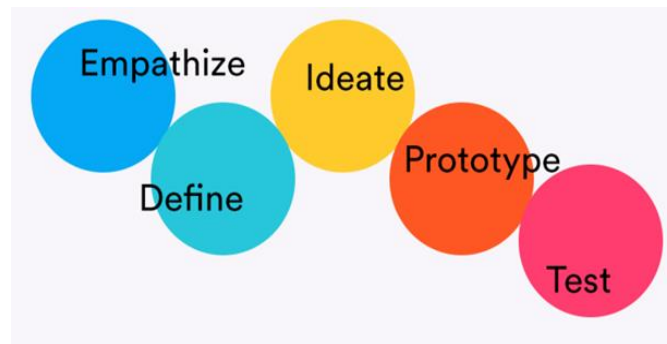
(Herbert A. Simon's design thinking process)

Marketing strategies with a design-thinking approach have a deep impact on every aspect of the marketing process, from idea conception to campaign execution. In developing this strategy, companies not only view their products or services as separate entities but also as an integral part of consumers' lives. Through the application of design thinking principles, companies can optimize interactions between products and consumers, create more meaningful experiences, and build strong long-term relationships (Dyerich, 2020).

A marketing strategy based on design thinking starts with a deeper understanding of users. The inspiration stage in design thinking includes in-depth exploration of the market, observation of consumer behavior, and comprehensive data collection. The marketing team uses interviews, surveys, and data analysis methods to detail the needs, expectations, and problems faced by consumers (Dyerich, 2020). With a deeper understanding of users, marketing strategies can design more relevant messages, understand the factors that motivate purchases, and create solutions that truly meet consumer needs. This leads to the development of products or services that better meet market expectations, providing a significant competitive advantage. The stages of product development using design thinking, according to Starostka (2014) are:

1. Ideation Stage: Creativity and Innovation

A design-thinking-based marketing strategy then involves an ideation stage that emphasizes creativity and innovation. The marketing team, along with the design team and other cross-functional team members, engage in intensive brainstorming sessions to generate unique and relevant ideas. In this process, the principle of divergent thinking is used to stimulate a diversity of ideas, while convergent thinking is used to select the best ideas. Design thinking encourages teams to think outside conventional boundaries and explore solutions that have never been thought of before. The concept of design thinking permeates ideation by promoting freedom of thought, treating challenges as opportunities, and pursuing solutions that not only fix problems but also provide significant added value.

2. Implementation: Visual Design and User Experience

Once the ideas are selected, the marketing strategy enters the implementation stage. Visual design and user experience (UX) are the main focus at this stage. In a marketing world driven by design thinking, the

visual and functional aspects of products are designed to create an emotional impact and make a lasting impression on consumers. Attractive visual design, consistent branding, and optimal UX are key elements to attract attention and maintain consumer interest. A successful marketing campaign not only sells a product but also tells a story that can build an emotional connection with consumers. Design thinking helps guide this creative process by focusing on these aspects.

3. Responsive to consumer feedback

As marketing campaigns are launched, responsiveness to consumer feedback becomes an important element in a design thinking strategy. The empathy principle of design thinking encourages companies to actively listen, understand, and respond to consumer needs and desires. In the world of marketing based on design thinking, feedback is not only considered as a campaign evaluation but also as a source of inspiration for improving products or services in the future. This responsive marketing strategy allows companies to adapt to rapid changes in consumer preferences or market trends. When companies are able to translate consumer feedback into product or service improvements, they can strengthen consumer loyalty and improve brand image.

4. Applying Design Thinking in Market Research

Design thinking can be applied effectively in the market research stage, providing a holistic and user-oriented approach. The methods of direct observation, in-depth interviews, and data analysis used in design thinking help understand consumer needs and expectations better. Marketing teams can adopt design thinking principles to:

a) In-Depth Consumer Analysis: Engaging consumers directly, observing their behavior, and identifying the challenges they face to gain a deeper understanding
b) User Persona Creation: Create in-depth user personas based on research results to visualize consumer characteristics and preferences.
c) Ideation for Marketing Strategy: Implement brainstorming sessions to create innovative ideas related to brand positioning, marketing messages, and distribution channels.
d) Concept Testing: Involving consumers in the concept testing of a product or marketing campaign to ensure its relevance and appeal
e) Feedback Analysis: Using consumer feedback as fuel for improving concepts, campaigns, or products

Although there are many benefits to adopting design thinking in marketing strategy, as explained by Gould et al . (2019), there are several challenges that companies may face:

1. Organizational Culture Change: Adopting design thinking requires significant organizational culture change. Companies must open themselves to cross-functional collaboration, flexibility, and acceptance of failure as part of the innovation process.
2. Team Involvement and Collaboration: The success of a design-thinking-based marketing strategy depends on effective team involvement and collaboration. Bringing together team members with diverse backgrounds can require careful management.
3. Time and Resources: The in-depth design thinking process can take significant time and resources. Companies need to realize that innovative results require a worthy investment of time.
4. Acceptance of Risk: Design thinking encourages experimentation and recognizes the value of learning from failure. Acceptance of these risks may be a challenge for companies that prefer a more secure and tested approach.

Meanwhile, God et al. (2019) further explained that the benefits of design thinking-based marketing strategies are much more significant because:

1. Competitive Differentiator: Companies can differentiate themselves in the marketplace by involving customers in product development and marketing strategies.

2. Relevant Innovation: Design thinking ensures that the innovation produced is directly related to consumer needs and expectations, making it more relevant in the market.
3. Emotional Connection with Consumers: By deeply understanding consumer needs and values, companies can build stronger emotional connections through marketing messages and product experiences.
4. Responsiveness to Market Changes: Design thinking allows companies to be more responsive to changing market trends and consumer needs because they are continuously engaged in understanding the market.
5. Increased Consumer Loyalty: When consumers feel that a product or service is designed with their needs in mind, consumer loyalty levels tend to increase.
6. Efficiency in Product Development: With a better understanding of consumer needs, companies can direct their resources more efficiently in product development and marketing.
7. Continuous Innovation: Design thinking opens the door to continuous innovation as companies continually adapt to change and update their products based on consumer feedback.

CONCLUSION

Based on the findings and discussion above, it can be concluded that a design thinking-based marketing strategy is a holistic approach that brings significant changes in the way companies approach product development and brand communication. By prioritizing a deep understanding of user needs, embracing creativity and innovation, and being responsive to consumer feedback, companies can achieve a competitive advantage and build strong relationships with consumers. Although challenges in adopting design thinking may exist, the long-term benefits outweigh the investment of time and effort required. Design thinking is not just about creating visually appealing products or services but also about creating deep and relevant value for consumers. In an era of business that continues to develop and change, a marketing strategy based on design thinking can be the key to maintaining competitiveness and achieving long-term success.

REFERENCE

Adha , I.A., Voutama , A., & Ridha , A.A. (2023). UI/UX DESIGN OF THE OGAN LOPIAN DISKOMINFO PURWAKARTA APPLICATION USING THE DESIGN THINKING METHOD. *JOISIE (Journal Of Information Systems And Informatics Engineering)* , *7* (1), Article 1. https://doi.org/10.35145/joisie.v7i1.2938

Aman , S., Supriyanto , S., & Putri , MA (2020). IMPLEMENTATION OF BMC USING DESIGN THINKING METHOD IN DEALING WITH COVID-19 IN PATI SMEs. *JOURNAL OF INDUSTRIAL TECHNOLOGY AND MANAGEMENT* , *1* (2), Article 2.

Asshiddiqie , MA, & Supriana , CE (2023). Designing User Experience Using E-Commerce Applications Design Thinking Method : (Study Case : Lapak MSME Application Cianjur). *JURNAL PASUNDAN INFORMATIKA* , *2* (1), Article 1. https://journal.unpas.ac.id/index.php/pasinformatik/article/view/7171

Beltagui , A. (2018). A design-thinking perspective on capability development: The case of new product development for a service business model. *International Journal of Operations & Production Management* , *38* (4), 1041–1060. https://doi.org/10.1108/IJOPM-11-2016-0661

Darmalaksana , W. (2021). Rehal Al-Qur'an Guna Protection Riches Intellectual in Scope Patent Rights : A Design Thinking Study . *International Conference on University-Community Engagement* . https://digilib.uinsgd.ac.id/39651/

Diderich , C. (2020). *Design Thinking for Strategy: Innovating Towards Competitive Advantage* . Springer International Publishing. https://doi.org/10.1007/978-3-030-25875-7

Gould, R.K., Bratt , C., Lagun Mesquita , P., & Broman, G. I. (2019). Integrating Sustainable Development and Design-Thinking-Based Product Design. In A. H. Hu, M. Matsumoto, T. C. Kuo , & S. Smith (Ed.), *Technologies and Eco-innovation towards Sustainability I: Eco Design of Products and Services* (pp . 245–259). Springer. https://doi.org/10.1007/978-981-13-1181-9_19

Mangaonkar , M. (2023). *Enhancing product development and marketing strategy for CalevaLAB : A design thinking approach* [fi= AMK-opinnäytetyö|sv = YH-examensarbete|en =Bachelor's thesis|]. http://www.theseus.fi/handle/10024/808509

Putri , HHK, & Pratama , F. (2023). Making Digital Prototype with Design Thinking Approach As Strategy Business at PT XYZ. *SISFO* , *10* (3), Article 3.

Rusmini , ME, Masfiah , AL, Rohman , MT, Amanda, PA, & Zahro , SF (2022). Opportunity Development Economy Creative in the Era of Society 5.0 for Generation Millennials . *TREATISE OF IQTISADIYAH: Journal of Sharia Economics* , *1* (1), Article 1. https://doi.org/10.59107/ri.v1i1.21

Schleinkofer , U., Herrmann, T., Maier, I., Bauernhansl , T., Roth, D., & Spath , D. (2019). Development and Evaluation of a Design Thinking Process Adapted to Frugal Production Systems for Emerging Markets. *Procedia Manufacturing* , *39* , 609–617. https://doi.org/10.1016/j.promfg.2020.01.429

Shafiee , S., Haug , A., Shafiee Kristensen , S. , & Hvam , L. (2020). Application of design thinking to product-configuration projects. *Journal of Manufacturing Technology Management* , *32* (1), 219–241. https://doi.org/10.1108/JMTM-04-2020-0137

Soedewi , S., Mustikawan , A., & Swasty , W. (2022). APPLICATION OF THE DESIGN THINKING METHOD IN DESIGNING THE KIRIHUCI MSME WEBSITE. *Visualita Design Online Journal Visual Communication* , *10* (2), Article 2. https://doi.org/10.34010/visualita.v10i02.5378

Starostka , J. (2014). Design and design thinking in building an innovative organizational culture. *Journal of Intercultural Management* , *6* (4.1), 69–79.

Ward, A., Runcie, E., & Morris, L. (2009). Embedding innovation: Design thinking for small enterprises. *Journal of Business Strategy* , *30* (2/3), 78–84. https://doi.org/10.1108/02756660910942490

Zaki , A., & Sukoco , I. (2019). USE OF DESIGN THINKING IN INDIE LABTEK CONSULTANT COMPANY BANDUNG. *AdBispreneur : Journal Thinking And Study Administration Business And Entrepreneurship* , *3* (2), Article 2. https://doi.org/10.24198/adbispreneur.v3i2.18469