

One critical decision for the firm to make is the strategy to be adopted when they introduce a *new* product. Thinking can be clarified using ...

### Ansoff's Matrix

This allows the firm to consider the alternatives open to it for entering a 'new' product into the market. The possibilities include:

**market penetration**

use the marketing mix to push the product, gaining as much market share as quickly as possible

**market development**

take an existing product into a new market; eg a new export market

**new product development**

develop a new product for a loyal group of customers  
eg Sony's PS2 for Sony loyalists

**diversification**

develop a new product for an unfamiliar market  
eg Caterpillar diggers to CAT boots

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<b>New Product Development</b>	<b>Diversification</b>
<b>Market Penetration</b>	<b>Market Development</b>
<b>existing</b>	<b>new</b>
<b>Market</b>	

### Marketing Planning

Now the firm has a strategy in place, it has to develop activities to deliver this long term plan. This involves the creation of a *co-ordinated* and coherent marketing plan using all four elements of the ...

### Marketing Mix known as the Four Ps;

<b>Product</b>	<b>Price</b>	<b>Promotion</b>	<b>Place</b>
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When a consumer is confronted by a choice between many different products and brands, they will be influenced by many factors. The marketer's job is to create an overall package, using the **mix**, that makes the firm's own product or **brand** the most attractive, and therefore most likely to be chosen.

### Product

Probably the most important element of the mix, this includes not only the product itself, but also the service that goes with it.

- Are the people selling you the product polite/helpful?
- What is the level of after-sales service?
- Is there a guarantee or warranty, or an automatic refund on return?