

OFFERING MORE PRODUCTS

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Introducing new products is a strong way to expand your share of a particular market — eventually. If you sold only 10 products last year, and you offer 20 this year, you just may find that your sales double, too. Of course, it's quite likely that the new products won't sell as well as your old ones at first, but if you persist, you should be able to ramp up their sales over the course of a few years. When looking to offer more products, you have two options:

1) add new products simply by reselling or distributing products that complement your current line and meet some need of your current customer base; 2) innovate to create one or more new products that nobody else sells.

Either way, you have the two-fold challenge of informing customers that you have something new to offer and convincing them to take a look. That's why being especially visible and persistent in the first few months of your campaign to open a new market is so crucial. A concentrated blast of marketing communications is the key to opening a new market successfully. Create visibility by showing people your brand or product often and in a consistent, professional manner. You can do this through advertising, direct mail, e-mail blasts, paid placement of your Web address for key-term searches, signage (such as billboards and transit ads), sales calls, or presence at conferences and trade shows. Plan to use at least three of these or similar methods in the beginning of your campaign to open a new market. Risks and costs increase when you experiment with new products — defined as anything you're not accustomed to making and marketing. Consequently, you should discount your first year's sales projections for a new market by some factor to reflect the degree of risk. A good general rule is to cut back the sales projections by 20 to 50 percent, depending on your judgment of how new and risky the product is to you and your team. It may also cost you double the time and money to make each sale when entering a new market, because your new prospects won't be familiar with your brand, and you likely won't have a well-defined marketing formula at the start. Budget accordingly.

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