

Exercise for Penetrating New Markets

Penetration

It might be appropriate to consider expanding your sales outward to penetrate new markets or to new segments.

1. Consider each of the ways listed below. Rate how you might use each of them in your business as a way of achieving increased market penetration:

Segmentation	Yes		Maybe		No
• Extend current segments	5	4	3	2	1
• Re-focus current segments	5	4	3	2	1
• Find new segments	5	4	3	2	1
Geographic expansion					
• Media advertising	5	4	3	2	1
• Mail-order catalogue	5	4	3	2	1
• Consider alternatives	5	4	3	2	1
More locations					
• Minimise overhead	5	4	3	2	1
• Use temporary locations	5	4	3	2	1
• Expand existing space	5	4	3	2	1
Internationalisation					
• Register with a database	5	4	3	2	1
• Use expert assistance	5	4	3	2	1
• Attend tradeshow/conferences	5	4	3	2	1
• Seek financial aid (some governments offer loans to assist businesses entering the export market)	5	4	3	2	1
• Take an exporting course	5	4	3	2	1

Total score:

2. Pick one with the highest score and outline how you would use this strategy to increase your sales:

2. For the strategy you described above, evaluate its advantages and disadvantages. Consider if the following would be true for your business:

	<i>Yes</i>		<i>Maybe</i>		<i>No</i>
Advantages					
• Potential for most significant growth	5	4	3	2	1
• Potential for best profitability	5	4	3	2	1
Disadvantages					
• Assumes good business health	5	4	3	2	1
• Assumes competitive advantage is portable	5	4	3	2	1
• Assumes a lack of direct competition	5	4	3	2	1
• Assumes transferability of expertise	5	4	3	2	1

Total score: