**New Product Planning**

When entering the maturing and decline stage of the product life cycle, a firm must add new items to continue to prosper. New products are the life blood of any business and survival depends on the steady flow of new entries. However, only about 10% of new-product introductions bring truly new capabilities to the consumers.

**Product Development Strategies**

New product development varies according to its existing product mix and match between current offerings and the firms overall marketing objectives.

4-Alternative Development Strategies

1. Market Penetration- This seeks to increase sales of existing products in existing markets. Firms can attempt to extend their penetration of markets in several ways . They may modify products, improve product quality or promote new and different ways to use products. Packaged goods market often pursue this strategy to boost market share for mature product in mature markets. Product positioning often plays a major role in such a strategy. Product positioning refers to consumers perceptions of a products attributes, uses, quality and advantages and disadvantages relative to competing brands.
2. Market Development Strategy- This strategy concentrates on finding new markets for existing products. Market segmentation provides useful support for such an effort. E.g Bank of America targeted Asian residents with special television commercials aimed at Chinese, Korean consumers.
3. Product Development Strategy- Refers to the introduction of new products into identifiable or established market. For example, Nike introducing golf ball. Today Nike holds over 15% to 20% of the whole market share. Firms may also select to introduce new products into the market in which they have already established position to try to increase overall market value. These new offerings are called flanker brands.
4. Product Diversification Strategy- This strategy focuses on developing entirely new products for the markets. Some firms look for new target market that complement their existing markets, others look in completely new directions. For example, Dell the PC maker began marketing its own brands of consumer electronics, selling flat screen tv’s etc