

# Case study response

Business



The decision that can be recommended to Patterson is to further penetrate into the upscale drug chains. There are many benefits that can be achieved from adopting this strategy as going to be highlighted later. Expanding the market using the existing product may be wise for an organization that is currently experiencing a decline in sales rather than launching a new product. In this case, it can be observed that Patterson herself had recently seen a competitor forecast of \$10 million of retail sales on \$6 million spent on advertising. Launching a new product consumes a lot of funds in advertisements and it might not be a wise decision for the company that has been witnessing a constant decline in the total sales of its products. Against this background, it would be wise for Patterson to lobby for expanding the drug market using the existing brand that is known to the targeted customers. This is commonly referred to as standardization where an attempt is made to develop the market using the same brand. Effort will be made to attract new customers for the brand while putting measures that are designed to cut costs (Kotler & Armstrong, 2010). The main advantage of this strategy is that the revenue collected by the organization will increase as a result of economies of scales created by lowering production costs. The brand will be standardised such that it can appeal to the interests of many customers and this helps to increase the sales. Compared to launching a new brand, it can be seen that the strategy recommended above has many advantages.

#### References

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