

Market entry strategy essay

[Business](#), [Strategy](#)



The Ansoff's Product /Market matrix can be effectively employed in identifying the viable directions for the company's strategic development. Basically, this matrix provides various strategic options that Tesco can explore with regard to market coverage and terms of products. This is done in light of the company's strategic capacity as well as the expectations of the stakeholders. This according to McDonald (2007) is imperative in enhancement of sustainability.

It also ensures that all aspects that taken in consideration and in order to enhance the overall impact and enable the company to derive immense benefits. The preceding matrix presumes that the introduction of new flavored onions in the Market will be aided by the development of a sustainable market strategy. Currently, Tesco sells onions although the new flavored will be a product extension. This implies that the company will be required to analyze a new market for the product. In particular, Kotler (1992) indicates that it would be required to evaluate the product against the internal and external environment.

For example, it would be required to make analyses with respect to whether e-commerce would be an ideal strategy or if other distribution channels would need to be created to aid in the distribution of the product. In essence, all attributes of the product need to be compared against the SWOT analysis in order to identify the emergent challenges and how they can be addressed accordingly and in a timely manner. Notably, the market consideration and the company's capability have been major influential factors that have made Tesco to assume the current initiative.

The fact that the global perception is increasingly shifting towards a greenculture indicates that Tesco needs to align the quality of its new product to respective expectations (Kotler & Keller, 2008). Specifically, chemicals during production, processing, preservation and storage need to be very Minimal. The Company is likely to encounter a host of challenges related to the credibility factor. Notably, the current onions are affordable while the new flavored onions are quality oriented. This implies that the price of the new product is likely to be higher than that of the existent one.

It might take the client base a significant period of time in understanding the quality components of the new product. In addition, this might take a significant period of time for the consumer base to appreciate the inherent quality. Meanwhile, Tesco may be considered as a normal company that does not place great emphasis on the quality factor. 1.5 Target Market In his consultative research, Lehmann (2007) affirms that determination of an appropriate market segment is essential in enhancing the sales of the products.

Development of a distinct and well defined target by Tesco would probably enable it to come up with a distinct strategy. To begin with, it might decide to continue with its current trend of competing with low cost retailers in the market. In this respect, it would be required to employ the costleadership strategy in order to realize benefits. On the other hand, it might decide to explore the differentiation strategy. This according to Gilligan and Wilson (2005) would require that it charges premium prices and targets the luxury high end segment of the market.

Since the competition in the low market category is significantly high, the costs for entering and penetrating the market are also high and the profit are considerably low, it would be better for Tesco to explore the high market end using the differentiation strategy. This would be possible especially if it lays particular emphasis on enhancing environmental sustainability. Market research ascertains that consumers in the UK and especially those within the higher economic class tend to prefer environmentally friendly products to those that are not.

Regardless of these prepositions, the company would be expected to carry out a market analysis before the final decision is made. Particular areas of concern would include the probability of the population to taste new brands and the total share that other firms hold in the market. Perhaps the most important aspect during research would be to identify specific segments or demographics within the larger market as well as their profiles. This would enable the company to target the correct segment and develop a marketing strategy that would address their multifaceted and unique needs in an affective manner.

1. 6Goals • To enhance profitability by ten percent • To enhance customer advocacy and ultimate brandloyalty • To enhance brand awareness and company reputation

1. 7 Marketing Strategy Tesco's marketing strategy basically seeks to expand thefoodsegment of its operations. The marketing strategy would entail an exhaustive analysis of the markets and determination of products to offer ideal end products that are not only of high quality but also reflective of the tastes of the targeted population.

Considerations related to packaging, color, shelf life and ingredients of processed products would be addressed accordingly. The company might also decide to go green by ensuring that the ingredients of the new flavors are derived from environmentally friendly processes. While these would be exported throughout the region, the company also needs to ensure that the particular needs and expectations of the local populations are put in consideration. However, in order to enhance sustainability and enhance the agility of the entire process, market research would be requisite to all these operations.

Hooley, Saunders, Piercy and Nicoulaud (2007) recommend that this needs to be comprehensive and all inclusive in order to capture all the details of the market. In the long run, it would reduce the costs associated with poor reception of the product by the market and the relative losses. This should effectively test the new product's concept, the expected pricing dimensions, buying behavior of the target population, public perceptions towards the company and so forth. After an effective determination of the specifications of the product, the strategy would be implemented using market tactics.

Often, these address particular decisions about critical factors pertaining to price and product distribution (Braisington & Pettitt, 2000). Regarding the price factor, consideration needs to be accorded the current market expectations and it also need to be in line with the product quality. Arguably, these factors play a fundamental role in determining the premium price. Equally important would be the distribution factor. Since the product would be distributed throughout the entire chain, the price at the supermarkets

would possibly differ with that at the hypermarket and the convenience store.

It is because consumers at these specific ends have different economic capacities and relative buying behaviors. Thus in order to yield beneficial effects, the entire process needs to put their unique needs in to consideration too. Irrespective of the fact that promotion of the products is expected to be relatively expensive; the company has an assured financial security and is therefore expected to carry out the strategy with ease. This would be important in promoting sales and changing consumer attitudes and perspectives towards the given product.

The promotion campaign needs to be intensive and might comprise of repeated radio and television advertising, billboard campaigns, placing advertisements in the local newspapers, using the internet, direct marketing to the popular customers who are holders of loyalty cards and so forth. 1. 8 Measurement and Controls Because Tesco understands the complexity of the business environment as well as the constituent operations, it need to put in place necessary financial and strategic controls.

According to Lambin, Chumpitaz aand Schuiling (2007), the financial controls might constitute of capital bids, profit targets and performance appraisal amongst others. Strategic controls on the other hand might cover the agreed business plan, overall strategic balance, infrastructure, optional services and emergent short term constraints like human resources. Ensuring that all these factors are in place would go a long way in enhancing the smooth flow of activities and ensuring that they meet the set goals and objectives.

On the contrary, failing to effectively address the relative factors is likely to undermine the quality and smooth flow of the entire process. Most importantly, Tesco needs to develop a contingency plan. Launching a new product in the market is a process that is likely to be compounded by various shortcomings. Amongst the worst expected problem would be the failure of the product. This is regardless of the company having made significant investments in producing and availing it to the market. In such cases, alternative products for launching need to be available within the company portfolio.