

## Entering a new market with a new product

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#### Introduction

Experian holds details on consumers' credit histories. It provides these details to approved bodies that need to know them. These include banks and credit card issuers. Most of its customers are other businesses. They pay a fee each time they search Experian's records. Consumers can ask to see their own credit records. This costs £2. Experian has developed a new product for consumers. This is called CreditExpert.

#### Diversification

Igor Ansoff was a famous business writer. His table shows the ways in which businesses can expand. This is called Ansoff's matrix. There are four ways to grow. A business can develop:

- \* existing products in current markets. This is called market penetration. It leads to an increase in market share for the business
- \* new products in current markets. This is called product development. For Experian this would mean having more business-to-business products
- \* existing products in new markets. This is called market development. Experian has grown into a worldwide concern. It operates in over 60 countries
- \* new products in new markets. This is called diversification. CreditExpert is an example.

#### The market

CreditExpert is a new product. The new product allows consumers to check their credit records online. It helps to check that they have not been victims of identity fraud. This is a serious problem. It means that a thief has 'stolen' a person's identity. They can then apply for credit in that person's name. CreditExpert sends a text or email every time there is a significant change on a person's credit record. This lets people know if any crime is taking place. They can then get instant help from Experian's 'Victims of Fraud' team.

#### Market segmentation

Any market can be split into parts, or segments. Factors such as age, gender and income can be used to define segments. Each segment can then be a target for a product. The business makes sure that the product appeals to that segment. This is called positioning the product. Experian's target segment for CreditExpert was internet users keen to manage their credit themselves.

#### Marketing Mix

The next step was to create a marketing mix to appeal to this segment. Each part of the mix needs to be balanced with the others. The parts are:

- \* product. CreditExpert gives up-to-date credit records online. It alerts customers to changes in their information
- \* price. The price was set at £5.99. There is a 30-day free trial first.
- \* place. This means how the service is delivered. The growth in e-commerce means it is delivered over the net. This is a new channel of distribution
- \* promotion. Experian used its high profile to help promote the product. It also built on the dangers of identity fraud.

**Conclusion**

Experian has brought out an exciting new product. It has used new technology for this. Credit is more and more important, so having an easy way to check credit records is vital. It is a new product in a new market. This is an example of diversification.