Guide
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In a challenging economic environment, the ability of businesses to identify and break into new markets is a critical denominator in terms of increasing bottom line performance. The focus of this guide is to help firms achieve traction in terms of accessing new and sustainable market opportunities.

Achieving growth for an organisation is dependent on the core principle of targeting potential new business opportunities with a totally positive approach. Taking control of business destiny requires vision and the confidence to follow what at times can be a very hard road in terms of decision-making. The reward, however, is being able to realise that an opportunity exists and take control of it before a competitor can establish a foothold in the marketplace.

Exploiting avenues of growth

New avenues for potential growth are still available to be exploited, despite the recent years of contraction on a wide variety of business fronts. It is vital that you employ correct planning and marketing strategies in pursuit of those opportunities. At the core, every successful assault on breaking through to a new market is the ability to recognise the key target group. That identification process will have, as its primary motivation, the potential to be converted into product purchasers. The evolving challenge is complex, however, and must be tackled strategically. When you set your sights on gaining a foothold in new markets, you must ensure that it is relevant in the context of the overall competition and of the customer.

Importance of demographic trends

In the battle to break the existing purchase loyalty of a potential new customer base, it is crucial to minutely examine and analyse demographic trends. The introduction of a product line into a new market environment represents a huge investment in terms of all involved with the company. The contribution of time and human effort must be built around knowing and understanding the market. That has to be the core strategy. The key to building new markets is having as accurate an understanding of that market as possible.

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Attention to research detail

The use of target research methodology is designed to compile as much information as possible on the proposed new market. How the product line can match the needs and requirements of the customer base is the corollary of that investment. Consider using competitor research to analyse the demographic profile of the customers that the competition has previously been able to attract and retain on its order books. The insight information collected by that type of research can then be used to compile a significant picture of the differences in services and products being delivered by competitors. What you must also take into consideration when attempting to expand your sales and market horizons is the definition of your customer profile in relation to the specific circumstances.

For example, how reflective of the market is the target customer and does that customer hold the potential to facilitate sales growth? It is inevitable that existing competitors will respond to the challenge generated by new entrants to the market. Being prepared for the level and intensity of that response will depend, to a large extent, on having the necessary market analysis weapons as finely tuned as possible.
It is critical that your preparatory research is completed well in advance of targeting potential new markets. Having those tools in place will enable your business to understand the relevance and importance of scale that their competitors place on the same potential revenue source. Even more importantly, it provides valuable insight into how far the competitor businesses will be prepared to exert a flexible and viable response to the new challenge.

Coping with market risk

There are always rewards available if your company is prepared to cope with the challenge of new opportunity posed by expansion into fresh markets. Those potential rewards have to be balanced against the inevitable uncertainties that are associated with moving into a new market segment. The challenge of the breakthrough operation could also bring an increased threat of exposure and in order to minimise this, you could consider recruiting expert consultants with operational experience in the particular sphere of business. In such a situation, potential will exist for healthy differences of interpretation over risk evaluation. Again, the importance of rigid research techniques based on a blueprint of sustainable targets being the lever for market expansion is vital.

Understanding the tempo of the customer base in terms of changing attitudes and tastes in a rapidly evolving sales environment requires a business plan that is able to react quickly to change.

Social media as a tool for new markets

The business application potential of social media, such as Facebook, Twitter and LinkedIn, is one that needs to be considered as an integral part of your strategy for growth.

There are now more than 300 million people on Facebook with 1.4 million Facebook pages for businesses, that register at least 10 million hits per day. This signifies an important marketing tool. It represents a powerful resource of demographic information. It is one that can be effectively translated into a strategy capable of developing brand awareness to engaging with potential customers on an interactive basis.

LinkedIn is another social media tool that merits close attention in the context of helping target market opportunity expansion. With upwards of 100 million users, LinkedIn is a valuable tool for identifying new contacts. Equally importantly it acts as a vehicle for connecting with former colleagues, business partners and clients who could hold the potential for fresh trading prospects. LinkedIn has the ability to make connections globally. By using those connections, questions can be asked and answers received in terms of international trade-related matters. For the business-person seeking to identify new market opportunities from a global perspective LinkedIn has the potential on an interactive scale to leverage vital relationship knowledge.

Used properly, Twitter is a highly effective way to build awareness of your brand and reach new customers. Each day more than 10,000 new users join Twitter with the most current estimate of total users topping out at 300 million. It is an excellent way to connect on a more personal basis with both staff and clients.

Timing will always be important in preparing for an expansion into new markets.

By taking a calculated strategic approach to developing new markets, you will ensure that your core business is protected and strengthened. The non-inclusion of all those protective elements will invariably weaken both the established parts of your business and the aspects that have been identified as vehicles for expansion. Timing will always be important in preparing for an expansion into new markets.
As a constant flow of information it represents a superb brand-building lever, one that for many businesses is a better option because of the restricted 140 character bite-sized posts. It requires less commitment than building up a company blog network while at the same time having the potential to deliver essentially similar rewards. Twitter helps drive business levels by expanding the repeat customer base through the simple, but very effective, use of word of mouth.

Those that take up the challenge of using social media outlets as a vehicle for business expansion are invariably receptive to client commentary and can use it as a tool to respond, whether it is positive or negative. The secret of achieving success within the context of the social media platform is to compile and update pages that accurately reflect the ethos and personality of the company. Set clear goals, identify your objectives and always operate from the perspective of being able to achieve realistic returns in relation to your investment in time and cost.

**Funding for growth**

Achieving sustainable business growth costs money and cash flow security is an essential tool. That is where Close Brothers Invoice Finance plays such a critical supporting role for companies facing the considerable pressure of breaking into new markets. Within hours of raising an invoice, we can deliver up to 90% of its value into your bank account.

“The expertise of the Close Brothers team is built around being able to understand the individual needs of specific firms across the widest possible spectrum of the economy. It’s a simple concept and that’s why a growing number of firms have realised its value, buying into the true smart money option.”

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