

3.5.4 Product Portfolio & Product Development

A list of all the range of products that a business sells

- Businesses aim to have a balanced portfolio
- Businesses sell a variety of different products at different stages of the life cycle.



Keywords you need to learn the meaning of

Boston Matrix	A way for a firm to analyse its product portfolio
Product Portfolio	The range of different products a business sells
Target Market	Who the product is aimed at
Segment	Different group of people
USP	Unique Selling Point
Product differentiation	Making the product distinctive in the market

Boston Matrix - market share & market growth



- A balanced product portfolio means that a business can use money from its cash cows to invest in its question marks so that can become stars.

Creating the right product

- Be market driven - use market research to find out what the target market wants
- Develop a brand image
- Make your product different from the competition – have a USP
- Product design must be right – is the design fit for purpose, low manufacturing cost = higher profits, packaging is attractive and

Developing new products has benefits and risks



- New products increase sales
- Appeal to new market segment
- Good for firm's reputation



- Costly and time consuming
- Wasting resources by developing n resources customers don't want
- Poor quality risks reputation