



Selection of a product

Product selection is a critical aspect of entrepreneurship, and it involves the identification of a product idea that has the potential to be developed into a successful and profitable product. The process of product selection involves gathering and analyzing market information to identify viable opportunities for products, as well as assessing the resources required to develop and market the product.

The criteria for selecting a product are diverse and depend on various factors. These are as follows.

Technical know-how

Availability of a market

Financial strength

Competitive rivalry

Product category

Consistency in demand

Restrictions on imports

Availability of raw materials

Government incentives and subsidies

Ancillary products

Location of the business.

Entrepreneurs must carefully evaluate these criteria to determine which product idea is most likely to succeed in the market.

Technical know-how is an essential factor to consider when selecting a product. If an entrepreneur has knowledge and experience in a particular field, it may be easier for them to identify a product idea that is feasible to develop and market. Similarly, the availability of a market is an essential consideration when selecting a product. A product



that has a large and growing market can be more attractive to an entrepreneur, as it is more likely to generate substantial returns.

The financial strength of an entrepreneur is also an important factor to consider. The development and marketing of a product require significant investment in research and development, capacity creation, plant and machinery, etc. An entrepreneur must have the financial resources to cover the costs of product development and marketing.

Competitive rivalry is another critical factor in product selection. An entrepreneur must assess the level of competition in the market and the degree of dominance by competitors. They must also consider the availability of substitutes and any barriers to entry. These factors can significantly influence the viability of a product.

Consistency in demand is another crucial criterion for selecting a product. Products that have consistent and stable demand are often preferred by entrepreneurs. Seasonal products, on the other hand, have fluctuating demand, and entrepreneurs must carefully evaluate the market and the demand for such products.

Government incentives and subsidies can significantly support an entrepreneur in setting up a new business. Governments often provide tax holidays, exemptions from customs, and other concessions to promote certain businesses. Entrepreneurs must consider the availability of such government schemes when selecting a product.

The availability of raw materials is another critical factor to consider when selecting a product. An entrepreneur must ensure that the supplies required for the smooth conduct of business operations are mostly available in desired quantity around the year. The source of procurement of raw material is also important.

Ancillary products can also increase the attractiveness of a product. An ancillary product that is required for manufacturing another product can have a ready market in the parent industry, making it a more attractive proposition for an entrepreneur.

Finally, the location of the business is an essential factor to consider when selecting a product. The location of the business can significantly impact the cost of raw materials, labor, and other resources. Entrepreneurs must evaluate the advantages and disadvantages of various business locations before selecting a product.