

**Real Deal Wheels**  
**SWOT & Competitive Analysis, Brief**

## **1.0 SWOT Analysis**

<b>STRENGTH</b> Highest rated brand across all segments	<b>WEAKNESS</b> Poor utilization of excess cash
<b>OPPORTUNITY</b> The top competitor in the recreational category has seen a reduction in demand for their bikes	<b>THREAT</b> Entrance of Velocity Bikes and Joy Ride into the Rio De Janeiro markets

### **1.1 Strength**

The unmatched ratings of the Comfort AA, Rugged AAA, and Aero AAA Elite bicycles will garner the attention of additional customers. These high ratings will encourage more traffic into company stores and further increase brand reputation. The result will cause an increase in brand recognitions and increased revenue in the foreseeable future.

### **1.2 Weakness**

The company poorly utilized cash funds through Quarter 6 by not investing more of the \$2.5 million cash balance that was available at the start of the quarter. \$1.2 million was invested in certificates of deposit (CD). If \$ 800,000 more cash-on-hand had been placed into a CD, the company would have profited an additional \$12,000, while still holding onto sufficient cash reserves.

### **1.3 Opportunity**

Joy Ride, the only competitor selling globally, has seen a reduction in global demand for its recreational bicycles. This will allow Real Deal Wheels to seize a higher percentage of the global market share for recreational bikes.

### **1.4 Threat**

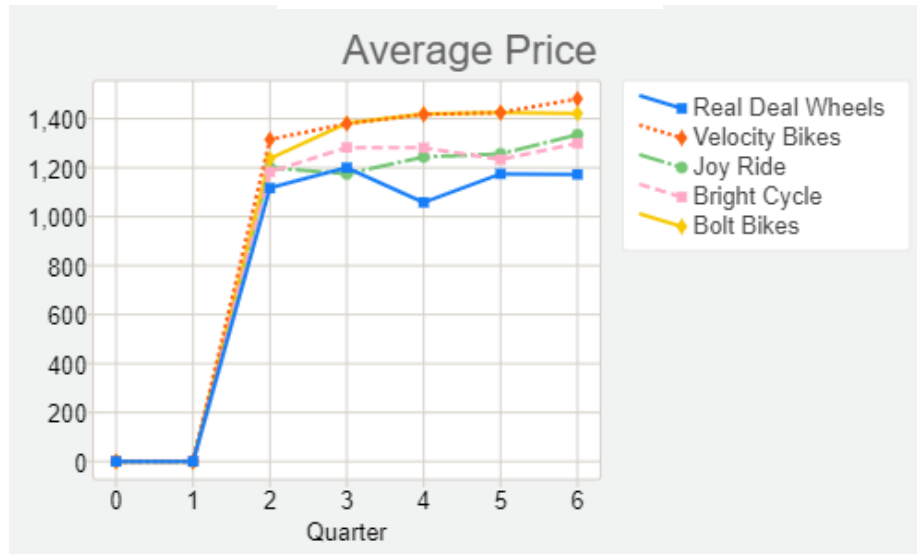
Both Velocity Bikes and Joy Ride entered the Rio de Janeiro market in Q6. Following their entry, the demand for Real Deal Wheels' bicycles when from 86% of total market demand to 62%.

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## 2.0 Competitive Analysis

### 2.1

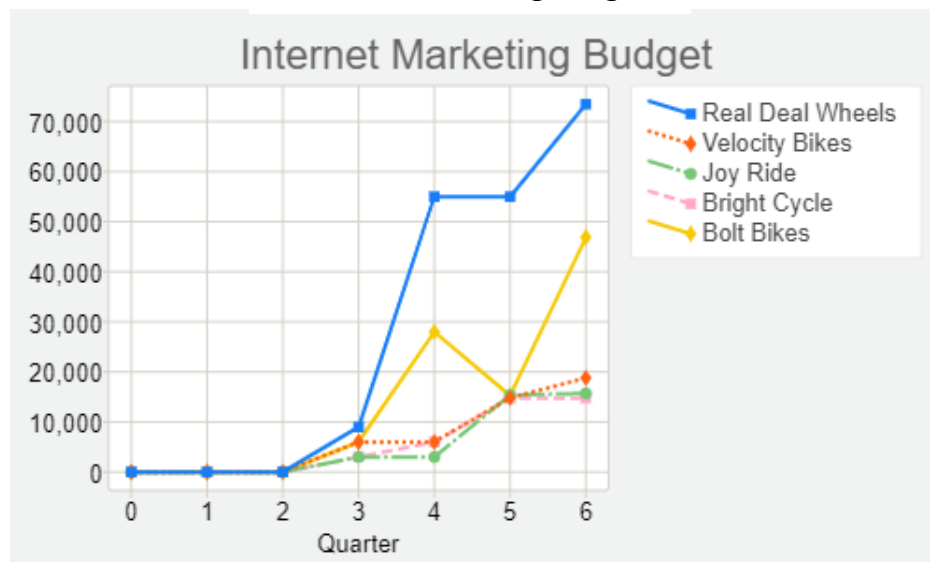
**Average Price in Q6**



This graph shows Real Deal Wheels has the lowest average price for bikes throughout nearly all quarters. The decision that led to this occurred during the inception of the company. Part of our goal was to be a market share leader, and a low-cost provider by utilizing economies of scale. We sell enough bikes to result in a decrease in production cost per bike.

### 2.2

**Internal Marketing Budget**

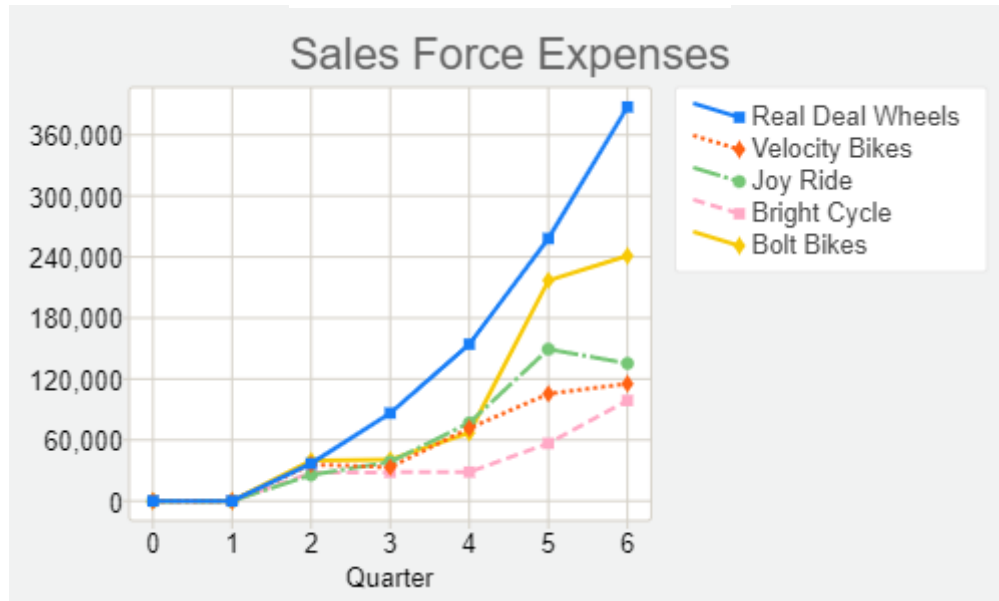


The marketing budget information in this graph shows Real Deal Wheels spending more money than any competitor on marketing activities. These results stem directly from the decision in Q2 to run more ads than any competitor. The goal was to generate more exposure and brand recognition.

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### 2.3

#### Sales Force Expense



The sales force expense results were reached in part by a Q2 decision to offer a larger total compensation package for employees. The goal was to offer more than any other competitor. This included a higher salary, more vacation time, and full health coverage. This decision was made because it would attract talented salespeople, promote retention, and motivate employees to perform well. Additionally, Real Deal Wheels expanded to new locations faster than any competitor. This also led to increased sales force expenses.

### 3.0 Goal Recommendation

Real Deal Wheels will increase the brand judgment rating of their highest-rated recreational bicycle to 90% before the end of Quarter 8 by researching and developing 2 new recreational features.

This goal is suggested because Real Deal Wheels currently holds the highest brand judgment rating of 80 for recreational bicycles, but the runner-up is close behind at 79. Maintaining the highest brand rating for this category will help the company maintain its market share within this segment. Additionally, there is currently an opportunity to capture more of the market due to the reduction in global demand for Joy Ride's recreational bicycles. Developing 2 new features and increasing their brand rating will improve recreational bike sales.