IITK Consulting Group

Summer Camp - Consulting Module

Final Group Assignment

Instructions:
You are required to submit a single document including analysis and proper verdicts to all questions in green in proper order and submit the file with name "**[Team_Name]_Final_Assignment.pdf**" by 21st June midnight.

Problem Statement:
Exxonmobil, a very successful American premium producer of lubricants in their native region, would like to further increase their revenue and profit. The product ranges from lubricants in the automotive sector (e.g. motor and gear oil) to industrial applications (e.g. fats, heavy-duty oils).

According to preliminary examinations, further growth potentials in the American core market are rather limited. Thus Exxonmobil would like to investigate options to internationalize in the passenger car business – also outside the premium segment which is given priority. Therefore your consulting firm was instructed to elaborate a market entry strategy for the European market.

The case has two project phases:

Project phase 1 aims at prioritizing a test market within Europe and its neighbouring countries with the help of a structured selection process on the basis of typical evaluation criteria.

During project phase 2, based on qualitative standards and on the basis of relevant dimensions - outline a possible market entry strategy for the market, which has been prioritized during phase 1.

[Hint: In other words, phase 1 requires you to first find a suitable market (country) for the company, then phase 2 asks you to develop a market entry strategy *for the chosen country*.]

For Phase 1:
1. Turkey, Germany and Russia can be internally chosen. Your task is to choose the best of these markets for your phase 2 analysis.
2. In order to identify the test market that is the most appropriate for Exxonmobil, the two typical dimensions of market ==attractiveness and chance of success== should be analysed.
==[Here you have to construct a visual matrix here using these two dimensions, each going from low to high, and then plot the markets in the matrix]==
3. Market attractiveness is composed of the following dimensions:
   a. Market size
   b. Market growth
   c. Market profitability.
4. Use a comparison matrix (1, 2 or 3) between the three factors of market attractiveness for each of the countries, to judge the overall position of each of the countries in terms of market attractiveness. Like this:

	Turkey	Germany	Russia
Market Size			
Market Growth			
Market Profitability			

==1 to 3 being relatively worst to best respectively.==
5. Here the comparison matrix for judging overall market attractiveness is already done for you:

	Turkey	Germany	Russia
Market Size	1	2	3
Market Growth	3	1	2
Market Profitability	3	2	1
Sum	7	5	6

6. To judge the probability of success (or ability to win), you should ==determine how high the competition levels are== in each of the markets.
7. Competition levels should be determined using metrics like the number of influential market rivals, their average annual revenue, and their growth rates.

==You will need to do these calculations yourself and come up with your own ranking of these three countries.==

8. Plug in the overall market attractiveness rankings and probability of success rankings in the visual matrix hinted at in step 2.
9. By using the visual in step 8, you should be able to select the best market for further analysis in phase 2.

For Phase 2:

Here you should formulate a possible market entry strategy for your chosen test market. The 5 classic dimensions of a how-to-win market entry strategy should be addressed:

a. **Product**
b. **Production / Supply Chain**
c. **Channels of distribution**
d. **Brand**
e. **Price**

Here is some information you may consider for formulating your strategy:

Product
1. The product range that is offered in the domestic market ranges from lubricants in the automotive sector (e.g. motor and gear oil) to industrial special oils and fats.
2. There are high regulatory guidelines for individual products for the European market.

Production / Supply Chain
1. In a best case scenario, Exxonmobil continues to produce its lubricants in America only and transports them to Turkey.
2. In this case they can, on the other hand, only react very slowly to local fluctuations in demand in Turkey or they need to have large stocks.

Channels of distribution

1. The sale of lubricants to automobile manufacturers (OEMs) for the first fill during production is an important channel.
2. Another channel are the numerous chains of workshops, which sell a large amount of motor oils to car owners.
3. Furthermore there are smaller local workshops.
4. An additional channel of distribution are gas stations, which, however, only offer their own brands (e.g. Shell).

Brand
1. In order to lend the marketing campaign the necessary credibility and to emphasize the attractiveness of the brand from the beginning, an important automobile OEM should be won as a so-called lead customer for the test market.
2. Next to the B2C-marketing, the B2B-marketing on the lubricant market also has a very important role including for example workshops.

Price
1. Exxonmobil presents itself as a premium supplier in America and wants to pursue this strategy in its test market.

Based on the above information, come up with your own strategy (recommendations) to Exxonmobil on each of the five factors presented above.