

# NEW MARKET

## ENTRY

## CASE

## EXAMPLE



***"Typical"* performance**

**The client Vedix in India manufactures hair products. It's thinking about entering the sunscreen market. Is this a good idea?**

# India's Only Customised Ayurvedic Hair & Skin Regimen

Hair & Skin - Vedix products are customised for YOUR needs

[Know Your Hair >](#)[Know Your Skin >](#)

Your Customised Hair Care Regimen Now  
Comes With A Booster Oil Worth Rs.299

**FREE!**

[Your Hair Analysis >](#)

Hey there I'm Vedix Virtual Assistant. Click here if you need any help?

Normal/Oily Hair      Dry Scalp      Straight Hair



**How to approach this  
problem/Business case?**

A group of five diverse business professionals are gathered around a table in a modern office setting, engaged in a discussion. A man in a grey suit is gesturing with his hands while speaking. Two women are listening attentively, one with her hand near her chin. The scene is well-lit with a warm, professional atmosphere.

**MEETING WITH CLIENT**

# **Step 1: Asking the right Question**

**1. Why?**

**2. What's our goal?**

**3. What's our objective?**

**4. Does it fit into our overall strategy?**





1. Increase Market Share

2. Maintain Profits

3. Reduce Cost

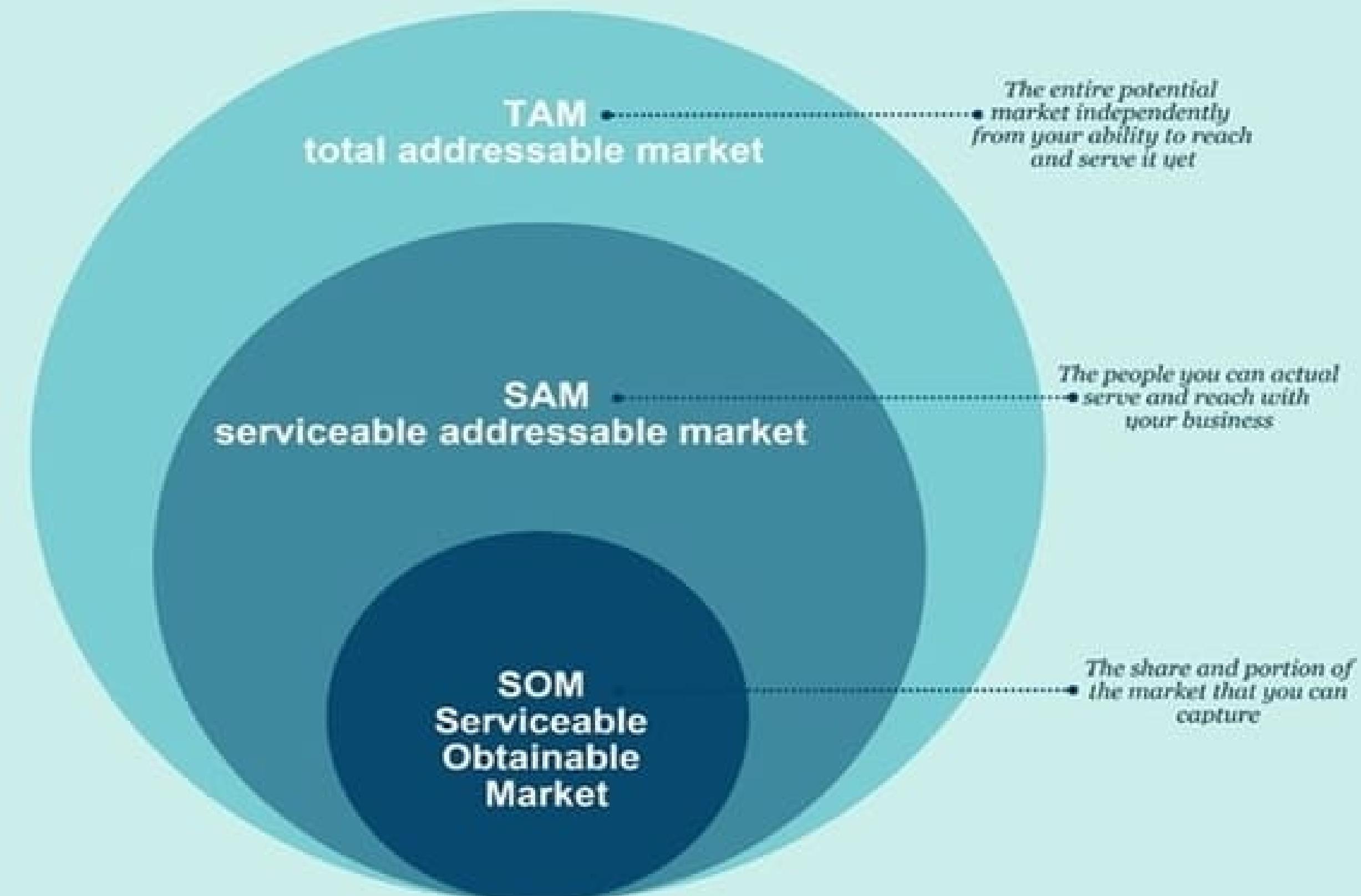
4. Decrease Debt

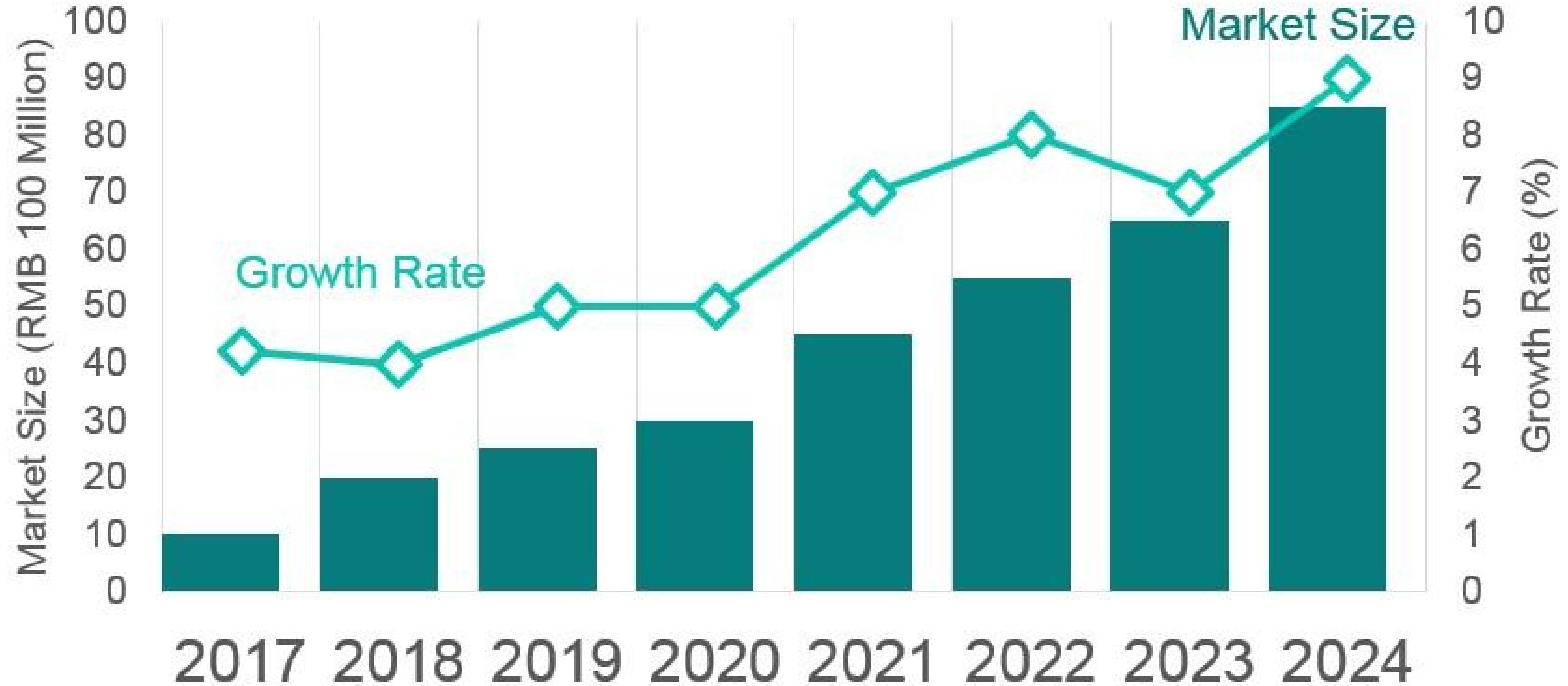
5. Increase Shareholder Value

## **Step 2: Determine the state of the current and future market.**

- 1. What is the size of the market?**
- 2. What is the growth rate?**
- 3. Where is it in its life cycle? (stage of development: Emerging? Mature? Decline?)**

# WHAT IS **MARKET SIZING?**







**sales**



**Introduction**

Product is launched.  
Sales grow slowly as people  
are not aware of the product.  
Informative advertising is used  
Usually no profit



**Growth**

Sales start to grow rapidly.  
Persuasive advertising may be used.  
Prices may be reduced as new  
competitors enter the market.  
Profits start coming.



**Maturity**

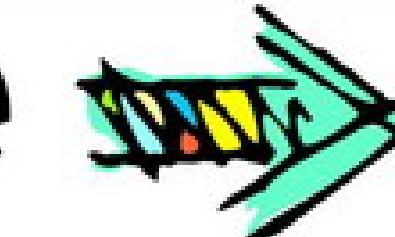
Sales now increase slowly.  
Intense competition in the market.  
Competitive or promotional pricing  
may be used.  
Advertising expenditure at its  
highest to sustain growth.  
Profits may soon start to fall as the  
product enters the saturation stage.



**Decline**

Sales will fall.  
Product loses its appeal.  
Stiff competition in the  
market.  
Advertising is reduced and  
then stopped.  
Production may be stopped in  
the future.

**TIME**



**4. Who are the customers and how are they  
segmented?**

**5. What role does technology play in the industry  
and how quickly does it change?**

**6. How will the competition respond?**



**Executives**



**Retirees**

**Soccer Moms**



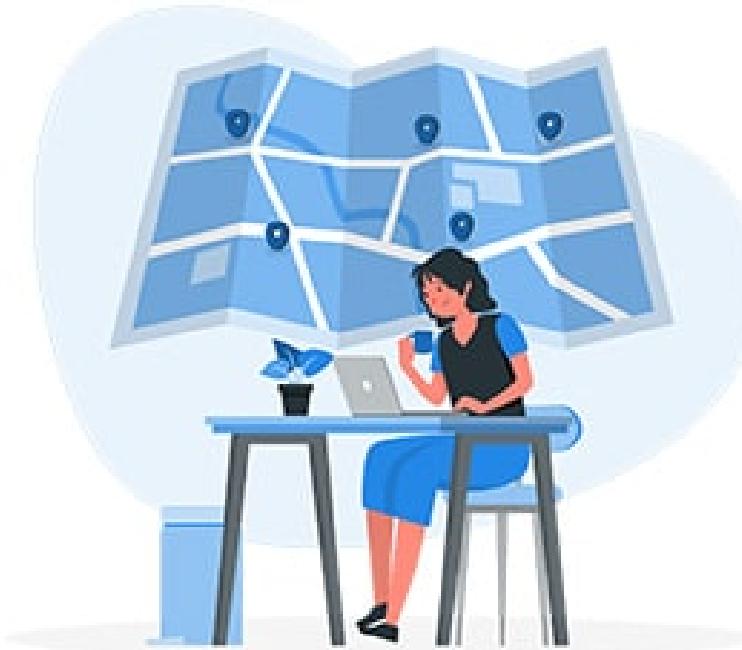
**Students**



**Income**

## **Geographic Segmentation:**

Consists of creating different groups of customers based on geographic boundaries.



## **Demographic Segmentation:**

Consists of dividing the market through different variables such as age, gender, income, etc.



## **Psychographic Segmentation:**

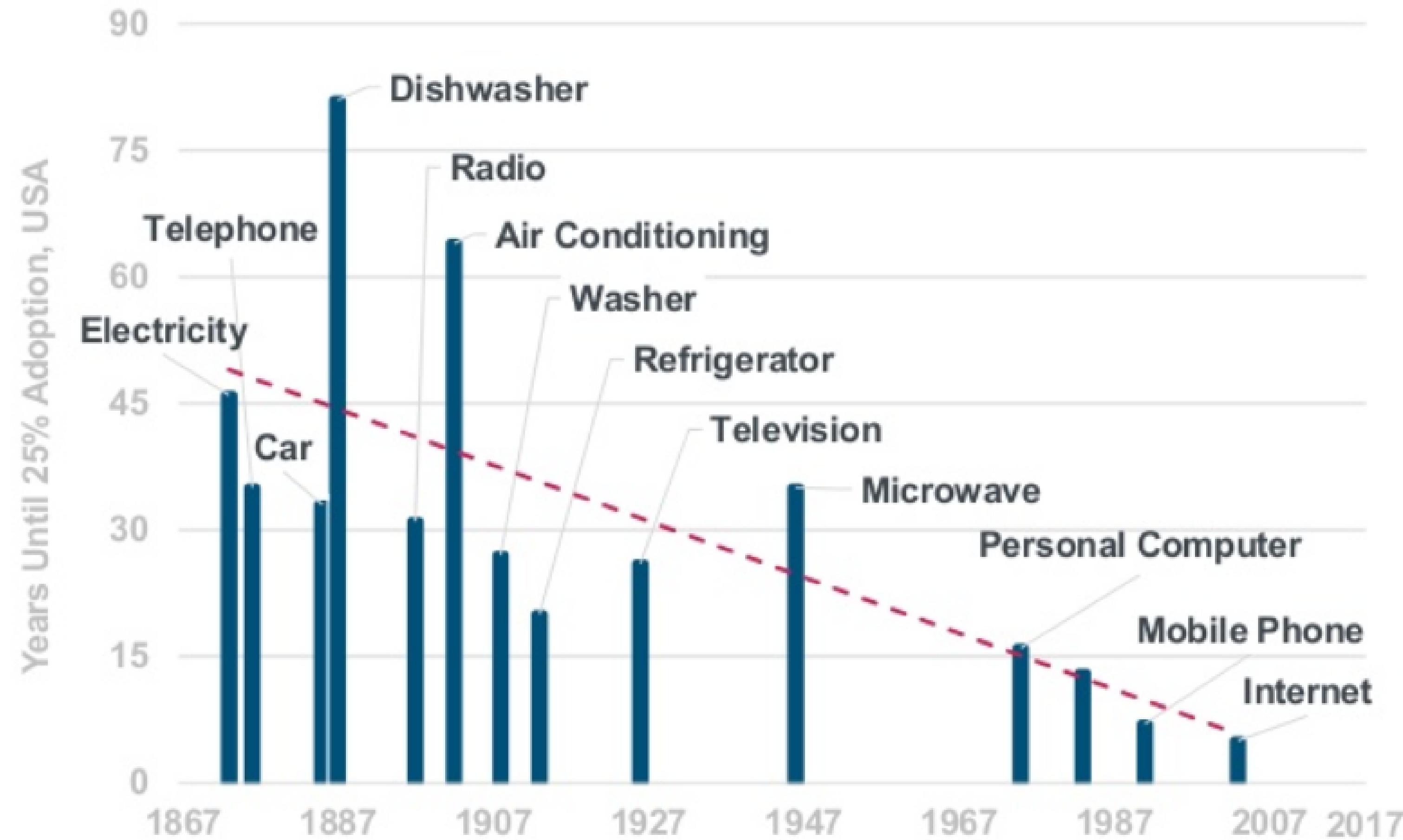
Consists of grouping the target audience based on their behavior, lifestyle, attitudes and interests.



## **Behavioral Segmentation:**

Focuses on specific reactions and the way customers go through their purchasing processes.





A cartoon illustration of two men in suits pulling on opposite ends of a horizontal rope. The man on the left has blonde hair and is pulling towards the left. The man on the right has dark brown hair and is pulling towards the right. They are both wearing dark suits and white shirts. The background is plain white.

*Competition Response!*

**Step 3: Investigate the market to determine whether entering it would make good business sense.**

- 1. Who is our competition and what size market share does each competitor have?**
- 2. How do their products and services differ from ours?**



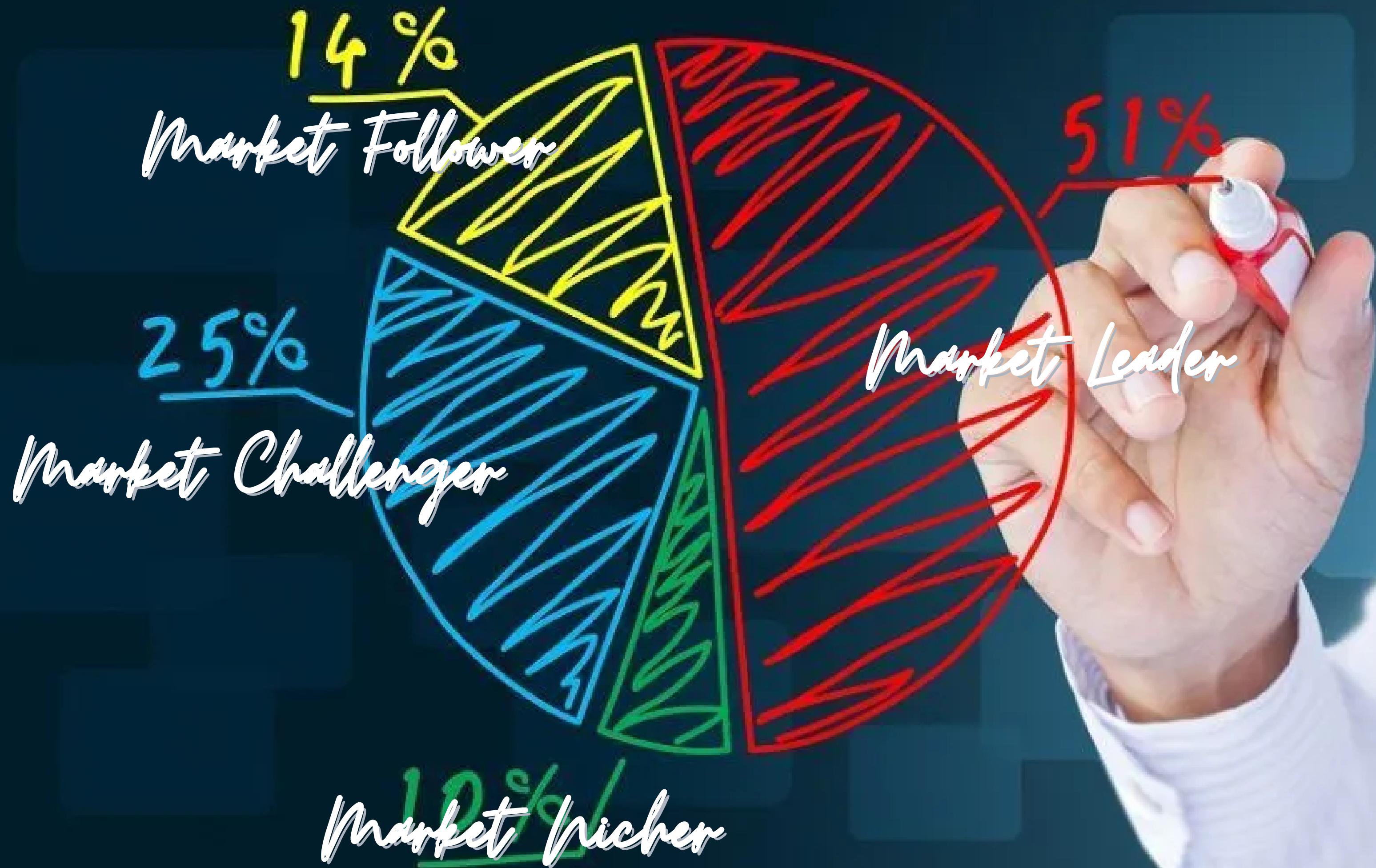
Hindustan Unilever Limited

LOTUS

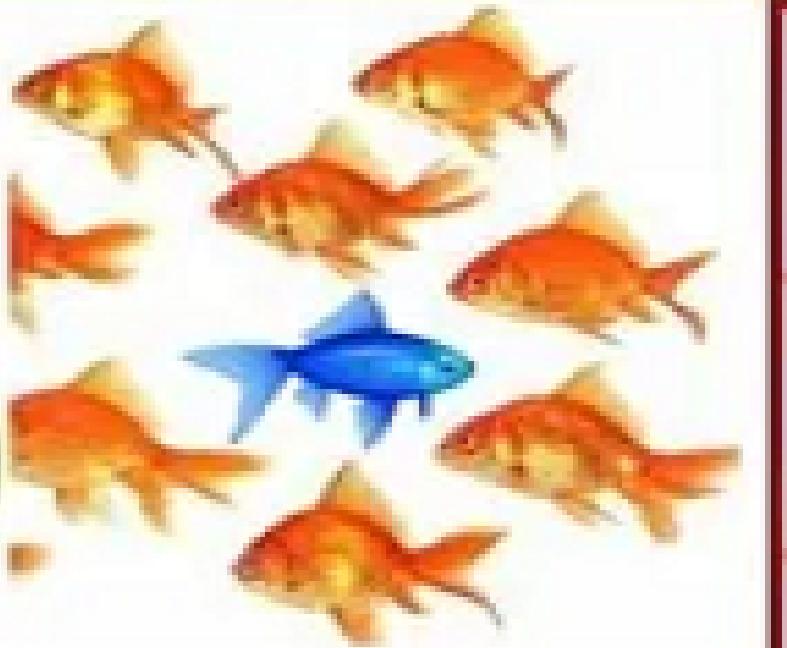
C&B

L'ORÉAL  
PARIS

ESTÉE  
LAUDER  
COMPANIES



**The process of distinguishing a product or service from others to make it more appealing to a specific target market.**



**Top Speed**



**200mph**



**110mph**



**110mph**

<b>Product Differentiation</b>	<b>Features, warranty, durability, performance</b>
<b>Service Differentiation</b>	<b>Ordering ease, customer training</b>
<b>Channel Differentiation</b>	<b>Coverage, expertise, performance</b>
<b>Relationship Differentiation</b>	<b>Competence, courtesy, credibility</b>
<b>Reputation Differentiation</b>	<b>Perception, advertising, communication</b>
<b>Price Differentiation</b>	<b>By customer, by quantity, by segment</b>

**3. How will we price our products or services?**

**4. Are there substitutions available?**

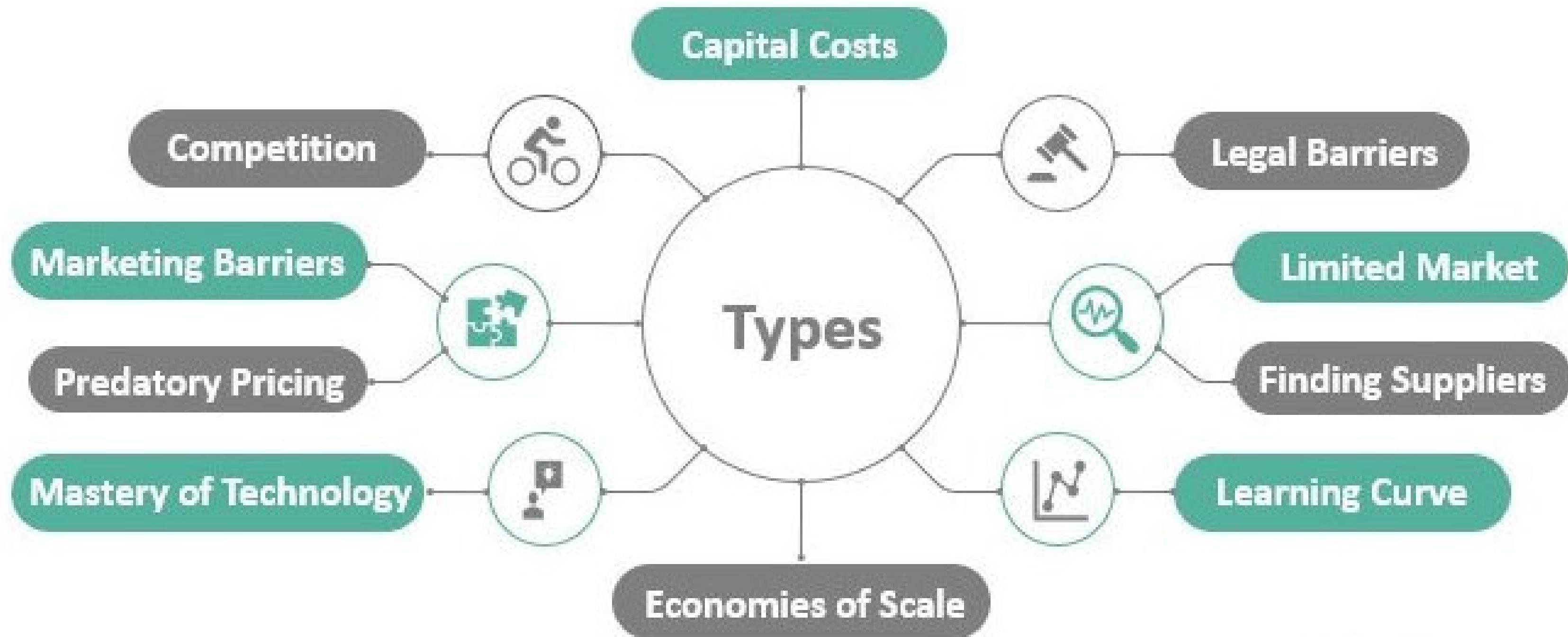
**5. Are there any barriers to entry? Such as: capital requirements, access to distribution channels, proprietary product technology, or government policy.**

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# Pricing Strategy!



# Are there any barriers to entry?



**6. Are there any barriers to exit? How do we exit if this market sours?**

**7. What are the risks? Such as market, regulation or technology?**

**Step 4: If we decide to enter the market, we need to figure out the best way to become a player.**

**There are three major ways to enter a market:**

**1. Start from scratch (see Starting a New Business)**



**2. Acquire an existing player within the desired industry**

**3. Form a joint venture! strategic alliance with another player with similar interests**

# **What are the key learnings?**

