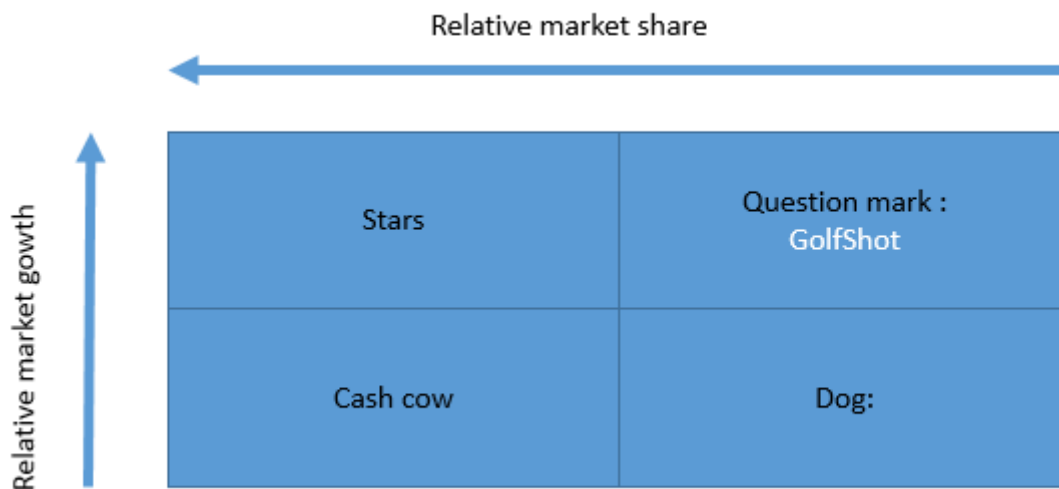


2.1 Portfolio analysis and strategic development options



Similarly, to task1, the real name of the company is changed to GolfShot for confidentiality reasons.

BCG matrix is a strategist tool for evaluating the products portfolio of a given company. Once the different products are classified within the 4 groups of the BCG matrix, strategic decisions can be undertaken based on the classification.

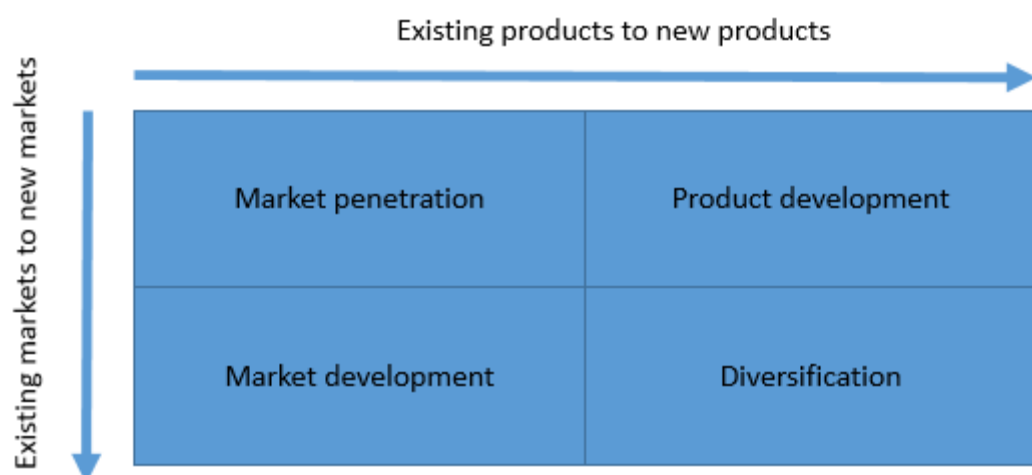
A BCG matrix contains 4 major groups that are defined by two axes: an x-axis representing the relative market share of the product and a y-axis representing the relative market growth.

When analyzing the GolfShot product through the BCG matrix, the following main points are outlined:

- GolfShot portfolio consists of a single product which is the GolfShot launch monitor
- The single product of GolfShot can be considered as a question mark product: In fact, based on the previous analysis of Task1, it was shown that the GolfShot launch monitor is evolving in a high growth market but it is still representing a small market share
- In fact, the market share of GolfShot among the launch monitor market can be estimated at 10%. More details regarding the market share will be provided in the next section
- The market share is estimated based on the market size of golf launch monitors which is estimated at \$100M [5]
- Basing the company sustainability on a single product seems to be a risky strategy. Shareholders should be aware of such a risk. Consequently, both the need of a product development and diversification can be outlined at this level. These two points will be further detailed with Ansoff's matrix analysis
- GolfShot main product should move progressively to Stars product. In fact, having a small market share even in a fast growing market remains very risky. In this framework, 3 solutions can be proposed to shareholders:
 - Target market share as a first priority by investing 80% or more of the profits in marketing and opening new offices worldwide. This can also be reached by Looking for new investors in order to finance the company growth and visibility

- Merge with bigger structure or competitor in order to enlarge the company network and reach more potential customers. Merging with a Golf equipment seller can be an option
- Sell the company to a bigger player of the market for the same reason as previously
- The GolfShot main product should move to Stars cell within the coming couple of years
- Once the market will be mature in the coming 5 to 10 years, the natural next move of the product is on the Cash cow cell. This would be a good opportunity to have incomes for the company corresponding to relatively low expenses. In fact, at this level the product will be
 - Mature enough technically speaking, hence does not need R&D and development expenses
 - Known enough, hence does not need important amounts of marketing expenses
- It's also highly recommended for the shareholders to launch at least 3 additional products in the coming 2 years. These products should be in the same launch monitors market; hence they will begin naturally as Question mark products. The aim of this move is to:
 - limit the risk of relying on a single product
 - to prepare the next Star and cash cow products of the company for the coming decade
- The new products should involve in the same launching monitors market since this is the main know how of GolfShot company. The other products will present different characteristics regarding mainly two axes: the price and the technology. This is based on the SWOT analysis provided in Task1 that outlined the major two weaknesses of the company that are: The price and the complexity of the technology

Consequently, a product development seems to be a major recommendation to the shareholders. In this framework, a product/market expansion analysis is provided through the following Ansoff's matrix.



Based on the provided Ansoff's matrix, 4 major scenarios are studied:

- Market penetration:

- This first possibility corresponds to the situation of having an existing product in a existing market. This is exactly the position occupied by GolfShot today
- It corresponds to low risk and low to high reward. The reward level depends on the efficiency of its execution as well as on the market evolution
- In the case of market penetration strategy, the GolfShot product should reach more customers. The major aim is to increase the sales volume of the product. This can be achieved by allocating more resources and investments for marketing campaigns worldwide
- In this framework, new collaborations with the main manufacturers of Golf equipment can be set up. The aim of this operation is to make GolfShot as one of the standard tools for testing new Golf equipment
- New collaborations with Golf simulation centers can also be investigated. This move will have two major benefits: make the product better known among the community and increase the sales by making the Golf simulation centers basing their simulation tools on the GolfShot technology
- Collaborations with Golf teaching centers should also be investigated

b) Market development

- This strategy corresponds to the situation of integrating an existing product in a new market
- This strategy corresponds to a low risk but requires generally high amount of marketing investments. Its reward level depends directly on the marketing campaign efficiency among the new markets
- The main geographical positioning of GolfShot worldwide is Europe and the USA. This should be extended by entering new geographical markets especially in Asia
- In fact, the golf game is gaining popularity in several major countries in Asia such as Japan, south Korea, India and China
- Based on the demographic weight as well as on the fast social transformations that these countries are living, investing in them has an important potential of enhancing GolfShot visibility worldwide

c) Product development

- This corresponds to the situation of having a new product evolving in an existing market
- This strategy corresponds to a medium risk and generally high reward. The reward is high when the newly developed product is accepted well by the existing market
- Based on the BCG matrix analysis above, it's highly recommended to develop new products and to not restrict the GolfShot offer to a single product as it's the case now.
- On the other hand, the GolfShot products have two major weaknesses based on the SWOT analysis provided in Task1. These weaknesses are high price and complex technology
- A first new product proposal can be the design and production of a medium cost launch monitor. This product aims at targeting wealthy Golf amateurs and Golf professionals such as new professional Golf players and Golf instructors. This new product aims at correcting the high price weakness of the current GolfShot product. A good tradeoff should be found between the final lower

price and the quality and accuracy of this new product. The technology is remaining the same with this product: It's still based on the Doppler radar technology. Let's call this new product GolfShotB, B stands for second edition. It also stands for "Birdy" which is a terminology corresponding to a good score in the Golf game

- A second idea of a new product to be developed is a medium cost product based on a newer and simpler technology. This technology can be fast camera acquisition technology that catches the ball behavior through images instead of Doppler radar. The advantage of this new technology is that it's simpler to implement and cheaper than the original one. Let's call this new technology GolfShotEE, EE stands for Eagle Eye which reminds the technology as well as the "Eagle" score which is a terminology corresponding to an excellent score in the Golf game
- A Third new product proposal can be a low cost launch monitor that can be developed as a phone application. The used technology would be the inner cameras and sensors of premium smart phones. This kind of new products aims at correcting both the high price and complex technology of the current GolfShot product. Low price and technology accessibility are two major fundamentals of this new product. Let's call this new product GolfShotLE, LE stands for "Light Edition"

d) Diversification

- This strategy corresponds to the situation of developing a new product among a new market
- This strategy corresponds to a high risk and a high potential reward. It requires generally high amounts of investment or new joint ventures in the market
- A possible diversification of GolfShot products is to set up a franchise for creating simulation centers worldwide
- This idea is based on the fact to leverage the GolfShot identity and brand among the market in general and the Golf community in particular in order to tackle the business of real estate
- The idea is somehow to be the McDonalds of the Golf game
- The major idea is to lease the GolfShot brand name for investors that want to create Golf indoor simulation centers
- The idea then is to get a financial commission based on the annual revenue of each Golf simulation center
- One of the rules of the franchise is to use exclusively GolfShot simulators. This is something possible thanks to the already established very good brand image corresponding to GolfShot devices

Based on the Ansoff's matrix Analysis, and based on the risk and reward trade-off between the different potential strategies, the choice is to adopt strategies of Market penetration and Product development as a first step than tackling market development as a second step.

In fact, energy and investments should be invested in the following order:

- First in developing new products that correspond to GolfShotB and GolfShotLE introduced previously

- Then, Better penetrating the already existing market with both the former and the new products: This aims at leveraging the already existing customer portfolio in order to optimize their CLV (customer lifetime value)
- Finally, developing new markets by using a part of the benefits generated from the 2 first steps and using the new products portfolio

Recommendations:

Based on the different strategic analysis provided in the previous section as well as in the Task1 presented previously, the following recommendations are proposed:

- Carry on marketing the only and historical GolfShot product and make it progress from a star product to a cash cow product
- Enrich the products portfolio and don't limit the GolfShot portfolio to a single one
- Design and develop GolfShotB and GolfShotLE. This aims to overcome the current two major weaknesses of GolfShot product which are the high price and the complex technology
- Once the new products are developed, perform a market penetration among the already existing customer portfolio by optimizing their CLV
- Perform a market development by tackling the very promising Asian Golf market

2.2 New product introduction. Brainstorming results and market testing programme

- Brainstorming results: Based on the previous different strategic analysis, 3 major new products are proposed: GolfShotB, GolfShotEE and GolfShotLE.
- The following Figure.1 compares the classical GolfShot product and the 3 new proposed products based on 2 criteria: the price and the measurement accuracy. The score 0 stands for very low accuracy respectively very expensive price, and the score 10 stands for very high accuracy respectively very affordable price

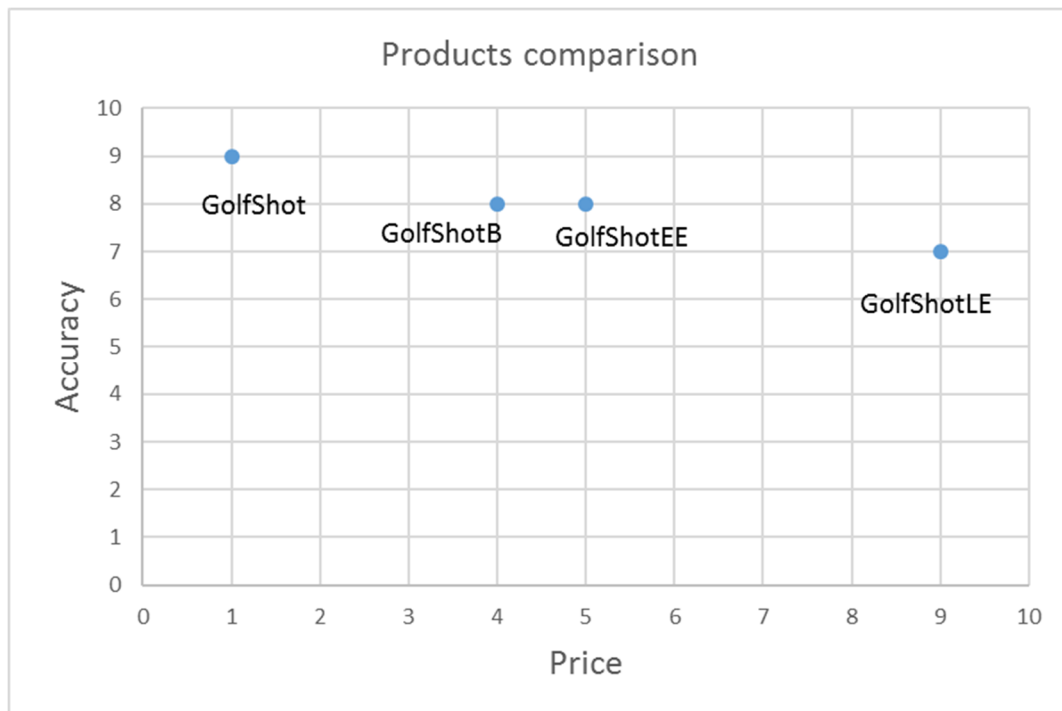


Figure 1 : Comparison of the different GolfShot products

- Products comparison figure shows that the current single GolfShot product is the most accurate among the proposed products but has a lowest evaluation regarding its price. In fact, as mentioned in the Task1, a GolfShot unit is sold \$20K and represents consequently one of the most expensive products of the market. This high price can be explained by 3 facts:
 - The high R&D expenses related to the development of this first solution in the market
 - The high production price due to expensive raw constituents like the high performance Doppler radar
 - The competitive advantage of high accuracy that the sales management leverages in order to keep the price high
- Products comparison shows also that the proposed products enhance mainly this major weak point of the classical GolfShot product which is the price. On the other hand, all the proposed products are not as accurate as the classical GolfShot product. The strategy of allowing the design and production of a less accurate product can be explained by:
 - The fair accuracy value estimated by the technical team of GolfShot company can be evaluated by the mark of 7 out of 10. Consequently, proposing a product that is ranked 9 out of 10 for accuracy can be considered as an excessive quality by comparison to the existing products of the market
 - All the proposed products present an accuracy that is at least equivalent to the fair value accuracy of the market
 - Losing 1 or 2 points in accuracy for gaining up to 8 points in price goes perfectly with the proposed strategy

- The proposed comparison gives in one sight the products presenting the best balance between price and accuracy: these correspond to the top right corner of the figure. The best product outlined by the comparison figure is the GolfShotLE. This product is finally chosen to be developed among all the propositions for the following reasons:
 - Its fair value regarding accuracy corresponding to a very low price estimated at \$49
 - It will not have R&D expenses since these are already made during the development of the historical GolfShot lunch monitor
 - It will be a pure software solution in the form of an application to be purchased on the numerical stores by the daily Golf player, hence saving all the hardware expenses and complexity
- In the framework of developing the new product GolfShotLE, a competitors survey should be performed in order to set up accurately the product development strategy. The following figure reports the major players within the Golf measurement tools market. The performance of the market players is evaluated according to Owler website (2017).

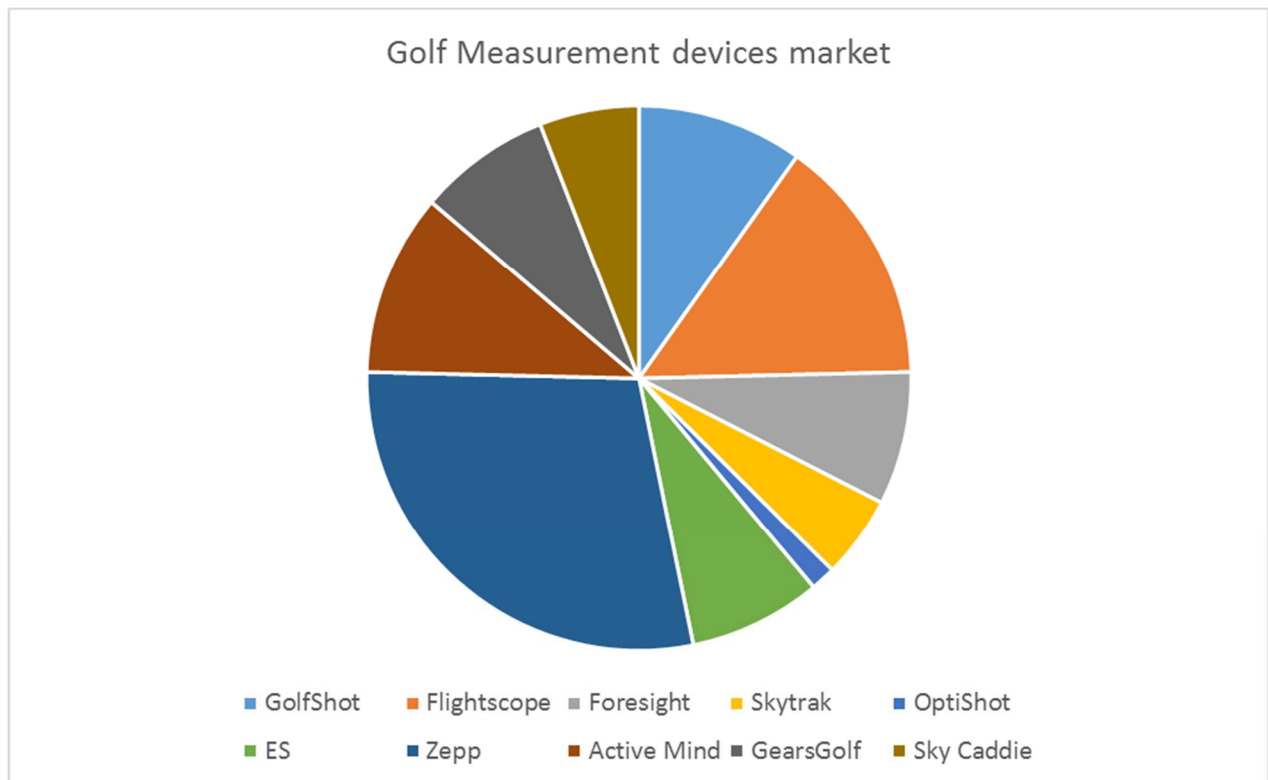


Figure 2 : Competitors analysis (2017)

- The competition analysis shows that:
 - The global market size in 2017 of the Golf measurement tools is estimated at \$100K
 - GolfShot occupies the 3rd position in the market after Zepp and Active mind companies.
 - The market share of GolfShot is about 10%
 - The top 3 market leaders share half of the market value

- Zepp company, the market leader, occupies 30% of the market share. Its products mean price is around \$120. Consequently, this fact validates the strategy of lowering the prices in order to reach common players among the Golf community
- GolfShotLE product will profit from the shining brand name of GolfShot launch monitor which has the image of a premium product with a very high quality in the mind of Golf community
- GolfShotLE is an application for smart phones that uses their cameras and enhanced computation capabilities in order to transform the smart phone to a launch monitor: the application should be very smooth and efficient in order to be considered as a serious launch monitor by the market. The company has all the necessary know how to make it

- **Marketing testing:**

In order to test the new product, the following possibilities can be considered:

- Edit a trial version of the Golf launch monitor and propose it in the virtual online stores for all the supported platforms
- Provide the most famous Golf “Youtubers” with the full version of GolfShotLE so that they can test it and share their feedback online with the Golf community
- Perform live demonstrations of GolfShotLE of in the Golf clubs, stores and events

In order to optimize the Return on investment (ROI) of the marketing testing campaign, the product should be evaluated in a quantitative way based on the following metrics:

- Is it easy to use?
- Is it accurate enough?
- Is the price consistent with the product value?
- How many times do you think you will use it per year?
- Does it provide what a classical Golf launch monitor provides?

These metrics should be evaluated by the user with a scale ranging from 1 to 10, 1 refers to very low value and 10 refers to very high value.

Once all the evaluations are assessed, the major strengths and weaknesses of the new product are outlined. Based on the marketing testing survey, strategic decisions can be made before the final launch of the product.

- **Ethical and Corporate Social Responsibility (CSR) issues:**

The Golf game is generally seen from evil eye by ecologists and militants against natural resources abuse. In fact, the Golf courses need important amount of water and equipment for its maintenance. This is especially true in hot and dry countries. The Golf courses require important areas to be set up. These areas are generally taken from forests or agriculture fields and all the pre-existing ecosystem is erased.

This can be considered as a thread to the Golf game in general. On the other hand, it can be an opportunity for Golf launch monitors in general and GolfShot products in particular.

In fact, GolfShot products develop and promote the technology that makes it possible to play Golf without Golf course. Consequently, all the beauty and all the challenge of the game are kept by the Golf player when using such tools.

2.3 Integrated strategic marketing plan and campaign

- Let's remind that the objectives of the company are the following:
 - Financial Objectives:
 - Reach 15M€ of revenue
 - Reach 30% of gross margin for each sold product
 - Marketing objectives :
 - Reach a mean 70% of GolfShot visibility among Golf community
 - Reach 90% of product satisfaction among the customers
 - Organizational objectives :
 - Move to 80/20 propositions for software/hardware activities
 - Open 3 new offices worldwide: 2 in USA and 1 in Japan
- After defining clearly the scope of the company through its values, vision and mission, short term objectives are set up
- All the objectives are defined through a SMART approach; hence every objective has a clearly defined quantitative target
- Regarding marketing objectives, the current recognition of GolfShot brand among the Golf community is 40%. Reaching 70% is possible by making the product better seen in major Golf countries such as the US, Europe, China, India and Japan. On the other hand, the current customer satisfaction is 80% that should be raised to 90% since quality is the first value of the company
- Regarding organizational objectives: the current proportion of software/hardware activities are 55/45. The aim is to move to 100% software activities by 2020. Consequently, 80/20 proportion is a progressive move towards the objective. On the other hand, investments for opening new offices worldwide should be taken into account in order to better promote GolfShot products. Firstly, US and Japanese markets are targeted since they represent 2 of the major Golf markets worldwide.
- Based on the provided analysis of the company objectives, it can be seen that the GolfShotLE product is perfectly aligned with company strategic vision. In fact:
 - Making such a leap (50%) in the company revenue is very hard to reach by using the classical single product of the company. Moreover, it is showed during the competition analysis that the most powerful competitors are basing their product portfolio on a unit price ranging from \$100 and \$200. This is much better aligned with GolfShotLE (\$49) by comparison to the classical GolfShot product (\$20k)
 - Reach a margin of 30% on the sold products is possible to make since margins operated on software in general and smartphone applications in particular is much higher than classical commercial margins operated on hardware devices
 - Move progressively towards a software company rather than a hardware company is aligned with GolfShotLE product which is a software application for smart phones

Strategic positioning: value proposition and pricing

- Having a clearly defined strategy for GolfShot is vital. In fact, the strategy defines the identity of the company as well as the why and how of its existence.
- Regarding the strategic positioning inside the market, GolfShot offers a very accurate measuring tool for the golf ball path following a golf shot. The product is one of the first references regarding the accuracy inside the market. In addition, GolfShot is well

known for its ease of use thanks to its user friendly applications that are compatible with the major smart phones and tablets of the market. This duality of accuracy and user friendliness is the major competitive advantage of GolfShot

- In order to protect the competitive advantage, GolfShot can rely on 3 major weapons:
 - Its patent regarding the technology that is implemented in its products
 - Its 10 years advance of R&D expertise implemented in the product
 - A brand name that inspires accuracy and user friendliness among its customers
- Regarding the price, a cost based pricing approach is adopted. In fact, one of the major goals of the GolfShotLE product is to make the Golf launch monitors more accessible for beginners and amateurs of the Golf game. Consequently, in order to better master its final price, the latter is evaluated based on finding a trade-off between 3 points:
 - The cost involved in its design, production and selling
 - The above mentioned objective of having a minimum margin of 30%
 - A maximum unit price of \$49

Brand and naming

GolfShot has already a brand name associated to premium Golf launch monitors costing \$20k. It also has the image of being a very accurate and efficient product. On the other hand, GolfShot brand has the image of being a very expensive product that is unreachable for a common Golf player.

The new product GolfShotLE aims at leveraging the very positive image that already exist among the Golf community. It also aims at correcting the bad image of being a very expensive and unreachable product by proposing the cheapest launch monitor of the market with a fair value of accuracy.

GolfShotLE should be presented as the product to be used by every golfer for enhancing his game at a fraction of a price of a professional Golf launch monitor. On the other hand, it should not send a message of being a substitute for the professional devices if a very high accuracy level is requested by the user.

Market analysis and research

The former provided analysis comprises already the major elements for performing a general marketing analysis and research around the proposed product GolfShotLE.

The current section aims at regrouping the major ideas regarding the market research study around GolfShotLE product.

According to mymarketresearchmethods website (2017), a market research can be composed by two major parts:

- A primary market research: it corresponds to a deep and structured research based on surveys, interviews, observations and field trials
- A secondary market research: it corresponds to fast and efficient first sight of the market, a sort of low hanging fruits, based on simple and easily accessible tools such as comments on the internet, public data and shared forms and articles

The market research study regarding GolfShotLE product is based on the following points:

- Demand and General trend of the market:
 - The Golf game has a traditional image of being a very selective activity that is practiced by wealthy people. In the last few years, the Golf associations worldwide are following a strategy of making the Golf game more popular

than ever. The results of these efforts are interesting and this can be seen through two facts: 60 million people around the world regularly play golf according to *Golf Today* magazine and Golf is on the top 10 most popular sports in the world according to PledgeSports (2017). Golf game is back to the Olympic games after 112 years of absence according to Erik Matuszewski (2016).

- In addition, according to Rebecca Lake (2015), Golf players demography is changing
- Consequently, Golf is gaining popularity worldwide. On the other hand, there are two major limitations for Golf spreading which are: Golf is a very technical game that needs to be taught by experts. Moreover, Golf needs expensive facilities mainly through golf courses.
- These two points are directly addressed through the launch monitor for golf game. In fact, Launch monitors provide the user with data regarding the performed golf shot according to Zak Kozuchowski (2016). Consequently, a golf player can use a launch monitor in order to improve his game based on the provided data. On the other hand, a launch monitor can be connected to a golf simulator. Consequently, golf can be played indoor with very high realism thanks to the latest technologies of launch monitors that make the prediction of the ball path very accurate based on the data gathered during the golf shot. Hence there is no need for very expensive facilities to play golf: Virtual golf courses can be set up at fraction of the price of real golf courses.
- Based on these facts, the market of launch monitors for golf game is increasing in the last few years. Here comes GolfShot launch monitors into play
- Potential customers and what they think about the product:
 - GolfShotLE product aims at being a popular Golf launch monitor device that can be used by every Golf player
 - The feedback of the product users should be monitored in an efficient and quantitative way. The same kind of surveys performed in the market testing section can be performed here. The main difference is that the survey at this level will not be done once for all but it should be performed in a regular basis. This aims at monitoring in real time the evolution of the customers' feedback regarding the product. Consequently, strategic decisions can be made depending on this evolution
- Competitors:
 - A competitor analysis is provided in the previous sections
 - The main takeaways from this analysis are:
 - GolfShot company is still have a progress margin in the market for occupying more market share
 - The best performing companies are proposing reachable and simple products for the customers at the cheapest price of the market
- Pricing:
 - The price of GolfShotLE is its main weapon against the competition. It should correspond to a final product presenting a fair value regarding accuracy and product quality
 - Consequently, a cost based price strategy is adopted for determining the final product price

- Identify the distribution and marketing channels:
 - Online stores for all the supported platforms: mainly Apple Store and Google Play Store
 - Golf clubs
 - Golf stores
 - Golf big events
- Regulations that should be taken into account:
Common regulations regarding software applications for smart phones should be respected. This is both true for the design and production of the product as well as for its distribution within the market.
- Advertising and promotion campaigns:
 - Edit a trial version of the Golf launch monitor and propose it for free for potential users
 - Propose to the most famous Golf “Youtubers” to test the product in their blogs and share the testing reports and videos online
 - Promote GolfShotLE in the Golf clubs, stores and events

Monitoring and evaluation the effectiveness of marketing plan

- Since its foundation, the management of GolfShot company adopted a data driven decision procedure. This spirit should be kept at this stage. This monitoring data can have the following sources:
 - Internal assessment of the product: This can be based on internal Quality Assurance (QA) team among GolfShot company
 - External assessment of the product: Customer satisfaction surveys: As mentioned previously, this kind of survey should be dynamic over time
 - Commercial assessment of the product: This is based on the fact that “Numbers don’t lie”. In fact, this is still the most important metric regarding the success of the new proposed product.
- On the other hand, the competition should be watched very closely: in fact, the GolfShot company is evolved in a market which is composed by 2 fast moving dimensions which are: technology and Golf game.

Improvements in the future

- Thanks to the data driven decision making spirit inside GolfShot company, analytical analysis can outline the gaps between the targeted performance and the effective results. Consequently, strategic decisions can be taken based on the observed facts.
- In this framework, different business and management tools can be applied:
 - Lean management techniques
 - Six sigma quality assurance techniques
 - Scorecard technique

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