



# DOMINION MOTORS & CONTROLS CASE ANALYSIS

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# Marketing Program Options



## Price Reduction:

Lower 10-hp motor price to match 7½-hp motor



## Reengineering:

Modify internal components (105 lb-ft torque, \$790 cost)



## New Product Design: Design 5-hp definite-purpose motor with 10-hp starting torque

Estimated cost: \$665

Potential price: \$1,045 to large users  
\$75,000 investment for engineering and testing



## Persuasion Strategy:

Argue that all 7½-hp motors exceed 70 lb-ft torque requirement  
Approach Hamilton's purchasing VP to influence decision

# Developing New Product Design



**Market Differentiation:** Dominion would be positioned as the industry leader with a motor created especially for the special requirements of oil well pumping, combining the effectiveness of a 5-hp motor with the starting torque of a 10-hp motor. With its unique selling point, this product may take a sizable chunk of the market and immediately address the demands that Hamilton Oil Company's testing revealed.



**Extended Strategic Benefit:** While alternative approaches might result in profits in the near term, developing a new product that properly satisfies consumer needs gives a long-term competitive edge. Dominion might control the market before rivals create comparable goods.

# Developing New Product Design



**Profitability Potential:** Dominion can command a higher price thanks to this method, which makes the investment worthwhile. According to the cost study, a competitive pricing for the motor might nevertheless result in a healthy profit margin.



**Risk Mitigation:** Dominion lowers the chance of being left behind by rivals like Spartan and Universal by proactively meeting the market's changing needs. Investing in a new product also demonstrates leadership in the sector, which could improve the company's standing.