



MARKET ENTRY STRATEGY STUDY AND ACTION PLANS

A Cement player in CIS region

Our client was setting up a 5,000 tpd cement plant and was a new entrant into the market. The market was dominated by 1-2 players and it was an established cement market with high entry barriers. Thus, it was imperative to have a well defined market entry strategy.

The client was interested in establishing itself as a long term player in the market and to achieve required sales volumes and market share.

Holtec was engaged to carry out a market transparency study followed by recommendation of market entry strategy and action plans for implementation of the strategy.

Key Assignment Information

- ➔ Interventions included situation analysis and action planning.
- ➔ Critical conclusions derived in branding, pricing and distribution channel.
- ➔ Possibility of vertical integration into RMC business was also explored.
- ➔ The assignment involved close involvement with the sales & marketing staff rather than only consulting inputs.
- ➔ A total of about 80 consulting days were spent on the field and about an equivalent number at the home office.

Objective and Coverage

- The initiation of the assignment involved a complete situation analysis of the target market, with respect to demand-supply gap, status of other players (market share, brand image, pricing, marketing thrust, etc.) and market characteristics (segmentation, buying/ selling behaviour, needs and perceptions of both the distribution channel and end-users).
- In addition, the likely future situation in the medium term was also projected.
- The above were used to draw a sales & marketing plan for the client in the short-term as well as the medium term. The plan incorporated geographic distribution (taking into account attractive markets and competitive advantage), products & branding, pricing & discount structures, distribution channel network, advertising & promotion and marketing organisation & systems.
- Complete Market Entry Strategy was formulated. Strategic alternatives were drawn based on Opportunities & Threats posed by external environment and its internal strengths & weaknesses. Tools like Porter's 5 Force Model, PEST analysis, etc were used.
- Strategy covered all aspects like where to sell, whom to sell, what to sell and how to sell.
- Specific implementation-oriented action plans for each of the above key marketing parameters were created incorporating detailed activities, timeframes and responsibilities.

Holtec's intervention was instrumental in providing the client with key inputs on marketing issues such as: focus markets, brand name, product mix, pricing structures, packaging types & customer segments, dealer network development & servicing, bag design, brand promotion, complaint handling and market intelligence, etc.