

# Lafarge-agent

[Business](#), [Marketing](#)



1. How can Lafarge-Aget differentiate its position in the eyes of customers?

Aget is operating in a commodity market. Its only way to avoid price wars and to gain more market share is by differentiating themselves from the other suppliers by providing their customers additional value. Aget should invest in establishing a customer - supplier relationship. This relationship should address the following issues: \* More frequent

written/electronic communication - lower acquisition costs for firms \* More frequent face to face communication, written / electronic communication - lower operation costs. Being flexible towards the customer's needs - lower firms acquisition and operations costs. \* Quality - lower firm's acquisition and operations costs. \* Invest in closer facilities - lower firms acquisition

costs 2. Although cement is a commodity at large, does pricing affect demand in the industry? The market demand for cement is elastic, so pricing plays an important role in the demand of cement. If suppliers higher their prices just a little bit, it will have a big effect on the demand, that will decline.

But also the other way around, if suppliers lower their price, then demand will increase. But it is not the only factor that plays a role. Demand for cement also depends on macroeconomic factors such as: \* Population growth \* GDP growth \* Interest rates \* Economic policies \* Etc. Also the government can play an important role in this. In 2003, the demand for cement kept rising in Syria. The state-owned company then limited supplies by restricting imports. In this way the prices were kept high. 3.

Amidst a commodity product and a highly competitive market how can Aget escape the commodity trap? Price is not the only thing that is important in

the cement industry. For starters, there are quite some different kinds of cement. So it's important for a company to have a broad product range for cement. Second, the quality of the cement has to be very good. The cement industry is a very local one, so it is important to be available and to deliver on time. Aget should also divide the market in different segments.

Every segment probably wants a different kind of cement, but probably also a different kind of service. So Aget has to give the right service to the right segment of the market. So it's important that they adjust their service for their different costumers. Aget should also look for new kind of cement. By investing in research and development in order to be one step ahead of the competition. This all will lead to a good customer relationship and customerloyalty. 5. How can Aget develop a profitable customer relationship, without cutting prices?

The first step of developing a profitable customer relationship is to understand what factors may affect customers' final decision making. As we known, the factors include previous experience, quality of objectives, the salesman, sale strategy, service, price etc. In terms of these factors, without cutting price, we can adopt following actions to attract customers, obtain customers satisfication, develop and maintain a profitable customer relationship. 1. Product offering must go beyond customers' expectations, and better than their previous experience. \* Increase the quality of offering Provide product augmentation (for exceeding customers' expectations) \* Develop a core product with prominent character to attract customers' attention 2. Establish a superior customer service network. \* Provide full transaction service \* Establish multi-channel service (combine head office,

distributors, retailers, online, telephone service together) \* Develop customer-support teams (which will aid the customer starting with the project design and materials specification through to the maintenance phase) \* Establish management information and advisory teams (at the disposal of customers) 3.

Improve the impact of the whole sales team (which link is also important in establishing good customer relationship). \* Train the sales to improve their sales and customer relationship management skills(for enhancing their customer service awareness and maintain their long-term relationship with the customers) \* Adopt effective sales incentives