

Use of new product development

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



The company opts to delve into new product development, particularly, utility or sports in order to enhance its market. This is a way to further tap into its existing markets with fashionable products. In fact, the company when compared to other competitors stands well in the industry (34.2% vs. 30.9% and 33.0%) and fashionables at 20.2% given the competitiveness of the luxury industry. The rationale here is to enhance the market share in the luxury industry. The consequence, increased sales.

Environmental Analysis

Competition is the biggest worry in the luxury or fashionable industry. As it has already been indicated above, the company competes well in the industry, but it has been on toes all the time trying to increase interior presently (capped at 5) and Safety (presently capped at 4). These two factors, as it is seen, will help the company to position well in the competitive industry.

Significant performance operational issues

A new development center to be set up is anticipated to help the company achieve its goals despite its high initial operating costs. Probably, it will help the company to develop the utility vehicle and the sports car.

Add a 3rd Development Center

The third development center is to serve as a center for developing the new company designs. The rationale behind this decision is to develop new products that can stand the test of time and deliver on the anticipated results. The consequence of this decision is that, the company will produce products that will compete favorably by appealing to the potential customers.

Full upgrade to the family car

Since, the D team incredibly upgraded on their family car to 5/4/4/4, and being a competitor, is sufficient reason to have the company's model upgraded. The rationale behind this decision is to have a competitive edge. The consequence of this is increased demand for family cars.

Further Increase Marketing

This decision is basically to help the company position itself, and inform the potential customers on the availability and usability of products. The rationale behind this approach lies in the fact that, the industry or competitor sales under fashionables dropped drastically, giving a leeway for the company to gain on sales. Marketing helps the company enter in the traditional markets owned by competitors.

Continue to Increase Manufacturing Support and technology Improvement

This decision is aimed at increasing the production of utility vehicles which is currently at a much lower rate. This will enable it to capitalize on returns and take advantage of competitor's traditional market. The consequence of this decision is increased products that meet customer demand.

Environmental analysis

Competition seems to be the most striking factor under this period. The company, nonetheless, has managed to outperform its competitors particularly in the fashionable sector. Utility sector, on the other hand, is set to come up through employment of new development center and technology.

Significant performance operational issues

Again, the significant performance issue in this period is adoption of technology that is in line with its newly adopted developments centers.

Upgrading the Luxury Car

This decision is meant to have luxury car upgraded to first class car that is more attractive than family car. The rationale here is to position the luxury car than the way is currently done. The consequence of this decision is to optimize on the sales of luxury cars.

Start development on a Sports Car (High end)

The sports car along with the family car has been the company key drivers. The development is specifically meant to meet the demand of the high end market. This market is also served by the luxury car. The rationale behind this idea is to fully position the company in this type of the market.

Environmental Analysis

Economic environment, since the price of vehicles have been dropping drastically, it has been hard to sustain the previous records. This is also attributed to fall in the market shares on the company.

Significant performance operational issues

Overcapacity has been one the troubling problems at the company. Despite investing 20% of the company sales in R&D, the problem is yet to be solved.

Leave Technology as it is

This decision is essential as the products at their current state have not been performing badly. Besides, the new technology would be expensive in the tough economical times. The consequence, reduced costs to the company.

More marketing for the First-Class and Fantastic

When compared with other models, this sector performed poorly under this period. It posted only 17%, hence the need increase marketing. The rationale is to position these products in the mind of potential consumers. The consequence, increased sales.

Environmental Analysis

Training, this has been reached because of the company's underperformance. It will help, as suggested, the company to increase returns to about \$40m.

Significant performance operational issues

Upgrading the first-class, this sector has been registering unpromising returns. In fact, the sector dropped from the production capacity of 71 to 60.

Upgrade the First-class (Luxury)

The decision aims to reduce the vehicles per-unit cost in order to cut down on the overall costs of the vehicles. The consequence, of this decision is a lot of purchases due to reduced prices of the vehicles.

Upgrade the Free-Spirit (Utility)

This decision would help the company to increase its value by making the product more attractive and appealing to the 4U category. The rationale is to attract more customers in this segment. The consequence, increased price of the product and good returns.

Environmental Analysis

Technology is the foremost factor that is in play here. This is because nearly all the company's sectors have to be upgraded. The ones picked are free-spirit and luxury.

Significant performance operational issues

Employment of spare money to buy back its stock is a big operational issue. This is based on the notion that, it will help to get rid of excess liquid cash and the same time increase the price of stocks. Supposing the cash is spent the stocks fail to respond it might be catastrophic to the company.

Enhance Marketing of the Flash

This decision is to enable the product reach the potential customers. The rationale, at this point is that, the products has a fairly low awareness. The consequence will be increased awareness and eventual increased purchases.

Adjust Numbers Accordingly

This decision is specifically meant to reduce the general prices of the company relative to that of D. The rationale here is to increase Luxury sales to about 80k + flex, Free Spirit probably to 40k production + flex, whereas the Flash to break to 70k.

Environmental Analysis

Technology-wise, the company has been increasing its Interior to rank 7. Product development, on the other hand, has been geared towards making the Free-Spirit more attractive to customers.

Significant performance operational issues

The drop in the share of the Achievers market from 50.9% to 44.5% is a big issue. This is based on the fact that, in other periods, the segment has been performing well.

Technology Increase and Production Capacity Increase

This decision specifically will help to enhance the competitiveness of the First Class, which has been performing poorly. The rationale is to increase its inventory from 18k inventory to 70k. The consequence of this is to write that off by upgrading.

Further Stock Buyback

This decision is to help the company increase its stock shares. The rationale behind this is to get rid of the excess cash and stabilize the price of stocks. The consequence of this will be increased value of the company, and enhanced positioning in the market.

Environmental Analysis

Competition is one key factor that the company faces. In fact, Delta is its main competitor. These two companies have always led to shifts in the market prices.

Significant performance operational issues

The company operates behind its competitor in dealership market. This might have negative effect to the company it does not really find a balance. Remember, customers always go with aggressive sellers.

Increase marketing as well as open more stores

Basically, this is the main decision taken under this period. This is based on the reasoning that after periods of invention, technological developments and increased, the company must then focus on marketing its products. Besides, the increased products must also be distributed in non traditional markets, and this comes with opening new stores. The consequence of this is increased returns to the company.

Environmental Analysis

The economic outlook for the company is progressive growth. This is as result of increased car sales by about 8%. A gain, this is the key environmental factor as the company is much focused on positioning.

Significant performance operational issues

The company share of the market dropped to 3. 7% from 4. 3%. Even though, it is not of much interest to the company currently, any continued drop would impact the company negatively.