

# Marketing case study on clust flashcard



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Situation Analysis Environment Growing internet users Economical trend  
Industry Entry: High. It's easy to start a web-based company. Low capital cost is required. Substitute: Moderate, group buying and creation workshop is a new market. People can buy their products but to the extent where it can be discounted and unique. Competition: Moderate, although there is heaps web-based selling business. The uniqueness of group buying and creation workshop has only a moderate amount of players. Supplier: Power of supplier is relative moderate. Buyer: Power of buyer is moderate.

Firm Objectives Increase active members and grow customer base. Have registered customer of 300000 members by year end 2000. Financial condition IF 1 million start up capital while investment to advertising was OFF per visitor. Marketing strategy Have registered customer of 300000 members by year end 2000. Analysis of performance Steady increase of visitors and new members to the website. The new member base increased 3.5 times from Jan 2000 to June 2000 and from 2469 to 8662. The number of visitors also increased from 77383 to 480309 which is a 6.2 times increase.

However the number of times the pages in the website viewed by visitors has decreased from 4.9 times per visitor to 2.8 times per visitor. SOOT Strengths- 1. Unique Brand image 2. 500000 visits per month average 3. High start up capital and have investors' support 4. Unique services of workshop creation and group buying 5. Can help purchase rare imports and unique products 6. Let people encourage other people to buy things through group buying discount 7. Effective marketing campaign 8. Positive WOMB and increasing involvement of its members through discussion and so on.

Opportunities- 1. Increasing internet users 2. People are open to new ways of purchasing products Weaknesses- 1. Channel conflicts 2. Limitation to group buying solutions 1 . Competition lower profit margin 2. Other different ways of purchasing products Problems found in situation analysis Statement of primary problem After the interesting launch strategy, the web site comes short of breath. Two pathways are outlined (focus on group-buying and good deals vs.. Focus on consumer creation and exclusives or remain the same to have both). But the problem is which one to take?

Evidence of problem “ Pauli believed that two board alternative paths were conceivable: Clubs could focus purely on group buying, or it could broaden the websites offerings, with less emphasis on getting consumers a low price.

” Effects of problem By defining the strategy to go ahead, profitability and long term outlook will be effected. Strategic alternatives for solving problems Strategic alternative 1 This alternative concentrate on increasing values for group buying and getting members good deals on products at a discounted rate.

Under this alternative, efforts ill be diverted to handle more demands by reinforcing the purchasing team to satisfy and cater for more customers who are previously unable to reach out due to limitations such as small purchasing team. However, possibility of lower profit margin caused by competition can occur. Further, it’s pointed out that most people come to clubs. Com to make savings (86. 9%) Strategic alternative 2 This alternative will let the website purely focus on exclusive and creation workshop. As mentioned that people were open to new ways of services and profit margin is higher compare to alternative.