

International marketing plan part 2

Business



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Competitors Analysis

In order to survive in the dynamic environment in which the changes are taking place at an accelerating rate, it is important that the companies do their competitive analysis on an ongoing basis (Bowman, 2007). The skate sales have increased drastically in the last couple of years and the distribution within and outside the country has doubled as well (De Mooij et al., 2010). Although Skating International is targeting entirely different target market that is not being serviced by the existing manufacturers of skates but they do pose threat as they can enter the market in the long-run.

The number of skating companies in the last couple of years has increased and it is expected that there will be new entrants in future as well (Bennett and Blythe, 2002). The biggest competitors in the skating industry are Rollerblade, Roces, Solomon and K2. The market share of each company can be represented as follows as given in SGMA (2011) report:

Rollerblade has been enjoying the largest market share in the industry for decades. As of 2005, its market share was 70% and now it has been reduced to 45%. The main reason in such a reduction in the share is the increase in the new entrants in the market. Still, the company enjoys the reputation of providing high quality skates and other accessories. The range of products provided by the company is huge and it is expected to increase more in near future.

Likewise, the close competitors are Roces, Solomon and K2 as well and all these brands have been there in the market for quite long. Since the Skating

International is targeting an entirely new segment so these competitors do not directly pose any threat to it but if these brands target the market that the company is targeting via its products, then it can lose its market share. Therefore, the company will need to create differentiating factors to maintain its competitive position in the market.

Pricing Strategy of the company

The pricing strategy that will be followed by Skating International will be competitive pricing. The company will charge the prices in comparison with those charged by the competitors. One of the primary purposes of the pricing strategy is to encourage the customers to buy the goods on impulse, experiment with the product and make repeat purchases. Initially the company will charge the products as follows:

1. Skate Sails – range will be in between \$300-\$450.
2. Blade Boots - \$27. 5
3. Skate Aids - \$50

In order to promote the brand initially, the customers will be given skate bags as well so that the skates will remain protected and they will be handled with utmost ease and care. The skate bags' price will range in between \$20-\$40 and when the customers will buy more than two pairs of skates, one bag will be given as a complementary bag.

Hence, the pricing strategy of the company is to provide good quality skates at fair price and the price is determined keeping in mind the customer's demand and production cost. Since Skate Sails are for affluent customers, their prices will be higher while other products prices such as Blade Boots and Skate Aids will have low prices.

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