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The Filter is a niche company in that it identified an unmet need in the market and developed a product to satisfy that need. The recommendation services they provide are required by client, going by the initial reception that individual customers gave to the firm upon its introduction into the market. However, for business, meeting a client’s need is paramount but not enough to justify it continued existence. Thus, for it to reward its proprietors it has to turn in a profit. This need led to their move for the provision of services to companies rather than individual clients. This move has seen them attain top clients such as Nokia and Daily Motion, NBC and the Warner Brothers. This position is comfortable for them since it brings in returns, however, and as with any good business venture, The Filter seeks ultimately to venture into companies dealing with diverse products other than media companies. The decision facing filter, therefore, is whether to invest resources in capacity development for the field they are relatively in-adept at, or improve their market standing in the media and entertainment fields.

## Literature review

According to the case study, The Filter has the task of demonstrating that its algorithms produce the results they portend it to produce. This arises out of the company’s relatively young age, and its effectiveness in producing results not well acclaimed in the business sphere. According to an article by Erick Schonfeld, a leading tech analyst with Tech Crunch, the initial presentation of the platform for use by individual users never generated enough revenue for it to be commercially viable. It was unable to compete with other more popular music and movie sites in the market (Erick Schonfeld, par 3). Failure of the platform to create a wave within individual consumers despite its acclaimed superiority marks it out as in need of more utilization and advancement for it to be a sensational product that seeks to shake up consumption habits across the board. According to Gabriel, one of the brains behind the project, The Filter may one day become the ‘ decision guru’ for people requiring instruction on what to acquire for their certain needs in consumption. In this interview in the Business Week, titled ‘ Tech Entrepreneur Peter Gabriel Knows What You Want,' Gabriel sees a future for The Filter where it is interwoven into people’s daily lives as much as Google (Bloomberg, par 9). In the place of asking The Filter anything as, one would with Google, The Filter offers to suggest the most appropriate choices custom tailored in all aspects relevant to you. While the company is still in its formative years, there is a promise of its ability to take a market leading position in the industry. According to the article ‘ The Filter Recommendation Engine Launched on Dailymotion to Further Boost User Engagement,’ the author describes it as ‘ the leading white-label provider of recommendation and relevance systems' (Rachel Carr, par 6). Such recognition marks a bright future for The Filter, with a potential to achieve and surpass its ambitious plans   
There are various factors affecting any decision that The Filter might make with regards to its future growth. Presently, the firm is under pressure to prove the true utility for its service. This pressure and the way The Filter responds to it is critical in determining the continuity of the firm in business. The recommendation service it offers must prove to bring improved business to its clients in return for the investment they make in the firm. Further, dispute on as to whether the algorithms it provides do offer any advantages as intended will hamper its ease of entry into new markets. Having started out as the most promising platform in comparison to its peers, such as Yahoo and The Amazon platform, The Filter needs to maintain this position as a market leader in its segment for its growth and planned diversification. Therefore, consideration has to be done on enhancement of the current platform to improve on its efficiency, or diversify to new market segments with a platform that is already showing signs of weakness owing to criticism aimed at it.   
The filter has the option of riding on its current position as the leading recommendation platform in the market, hoping that this position will attract new users in the market segments it seeks to diversify. This option hinges upon the continued positive reviews by the current client base it holds (Joe, Pg 78). Alternatively, the filter has the option of continuing in its current market niche, concentrating on advancement of its media recommendation platform while at the same time seeking out more clients in the media and technology fields. In the implementation of this option, filter will need to enhance its position as the premier recommendation platform in the market segment. With its superior platform, it holds an advantage over its competitors in terms of developing and advancing it technology to keep ahead of its peers.   
The ultimate aim of The Filter, to diversify into other product lines other than media and technology fields is visionary. The company ought to maintain in those sights that aim to be their ultimate aim, a culmination of the success of their recommendation facility. This venture, owing to the complexity and the capital intensiveness it would demand needs to be addressed when the company is convinced that the clientele is with no doubt that the platform delivers as is expected. Further, in foraying into such an untried field, the company needs to have achieved a proven track record of sales improvement in the media segment, beating it competitors not only in the technological edge, but also in sales performance. While it is with no doubt that they are best equipped players in their market niche currently, there has been a modest success transforming that edge into commercial competitiveness for its clients. The Filter needs to develop a formula upon which the best out of its services is tapped. Therefore, improvement of its current business model and platform should take precedence over a consideration to diversify. The decision to diversify should be taken upon the realization of time such that the Filter is a leading player in the media recommendation market, and its formula can be replicated elsewhere to produce similar success. The filter should set their own benchmark, a level enviable and marketable to prospective new customers.   
The filter has the options of implementing this strategy in phases. This would occur where the advancement and continued stability of it current operations are used as platforms upon which to familiarize and introduce new service lines touching on other products other than media recommendation. Market positioning in the media market is an important attribute they would exploit in marketing their intended new ventures. Further, The Filter can seek a rapid entry into the diversified market rather than develop their client base. This would be achieved by seeking the acquisition, merger or partnership with a strategically placed firm in the targeted market segment (Joe, pg 67). This strategy has the advantage in that they have a chance at retaining the clients served by the preceding firm, while using their superior technologies to market items that their platform determines as most desirable to individual clients.

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