Heightening market competition at oregon company

Business, Marketing

Heightening Market Competition at Oregon Company

Executive summary

In the present competitive market, many organizations face the threat of being wiped out of existence. Consequently, the management is constantly involved in developing working strategies that can boost revenues and ensure market continuity, even during economic downturns. Oregon Company is one of the companies that have faced major challenges amidst competition and souring economy hindering its clients' purchasing power. This report provides a brief summary of the situation at Oregon Company. It proceeds to analyze and present the findings giving recommendations on how the company can overcome its challenges and ensure improved revenue generation in the souring economic times and heightening market competition.

Situation, Analysis and Findings

2. 1 Brief review of situation

Oregon Company, established in 2000, is in financial crisis and needs an urgent strategic decision from the management. The company is sinking deep in the pit of financial anguish facing the economy and its clients are struggling for their survival. The new CEO, Doug Graves is focused on restoring the Company's glory days by focusing on the marketing strategies of the firm and expanding its scope of operation by bringing in new income generators. However, differing opinions in the company's management board concerning what strategies should be adopted presents a challenging situation in choosing the best path for the company's recovery and survival in the future.

2. 2 Analysis and Findings

In the case, the company has a business model that focuses on establishing long-term relationship with its clients. The company's customer retention rate is over 93 percent, which is a perfect platform for revenue generation. The higher the rate of customer retention for a company, the higher will be the market share and hence the rate of revenue generation (Samanta & IGI Global, 2014; Williams & Curtis, 2008). Unlike its competitors, Oregon Company markets website products to client association, ensuring bulk purchase, thus lower cost of purchasing for customers, $5, 000 against competitors' $20, 000 to $100, 000 purchase prices. This boosts the buying power of its clients, assuming competitors do not engage in price wars. Site design assistance to clients also positions the company above its competitors. The company also has an edge over its competitors in identifying clients associations and thus easy market targeting. However, it takes a long time to generate a new website for clients despite the fact that most activities are mechanized. This in turn affects customer service efficiency (Verma, 2012).

The company has a chance to venture in new income generating activities, for example, client association member are in constant need of easy communication, which Oregon could set in the assist via social media at a fee. Besides, there are more than 300, 000 licensed associations in the U. S., which means a potential market for the company. The company could also partner with content providers such as WebMD to provide advertising-based income sharing model for affordable cost. Oregon Company faces a big threat from new and stronger market entrants such as Boxwood, Affiniscape and Aveetra. These companies have high potential of eating up Oregon's market share. The company's financial statement indicates losses incurred in 2009 and 2010 of $321, 350 and $ 204, 257 respectively. However, the company recorded a profit of $ 608, 806in the 2011 fiscal year, indicating a brighter future financial health for the company. It is preferable if Oregon Company adopts new product lines and form alliances with other companies to serve its clients better and expand its revenue generating sources.

Reference

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