

# Case study example



PC-Build appears to be a creative and lucrative business opportunity from several standpoints. The product itself is very promising with huge potential and the proposal is quite well-researched. The proposal contains three main rationales of why this presents an effective opportunity and they can be evaluated critically. The first one is standardization. This makes a lot of sense in the context of the market that PC-Build will target, that is, individuals who have little or no technological background or students who are in the process of learning. Standardization will give them ease and convenience and present a flexible platform for learning and innovation. The second one, to change consumer habits, is a very effective strategy for any product because it has the potential to drive sales. It is very important to understand the consumer patterns and lifestyles and then introduce breakthrough ideas. PC-Build attempts to begin that trend of becoming knowledgeable and adept, so as the need for a technician is eliminated. It will also promote the concept of empowerment. The third one is that there is very limited competition in the market and this is very valuable piece of the picture as this provides clear cut proof that the business has potential to cover that portion of the market that has been sidelined and is therefore untapped.

A very strong argument that supports the case of PC-Build as a business opportunity is that the timing and market is ripe for it. This can be analyzed in terms of both competition and pricing. The competition is not only very limited but also 'sleepy' according to the case study. The market leader, Heathkit, provides low quality products at high prices and is also dormant on national advertising. ATS provides high quality but supplies Apple which constitutes a small portion of the market. PC-Build aims to enter in the

market through the education camps and this is a healthy strategy as this would avoid direct contact with competition and give PC-Build more time to establish its equity. In terms of market, the main target audience is home hobbyists or education centers. Total penetration is very low and this presents a unique opportunity to earn profits. Moreover, given the environment and computer literacy, the market is only expected to grow and a beneficial element is that there are two markets that can balance off each other: home hobbyists and education centers. The pricing is another strong element. This is because lack of competition ensures that the business can avoid price wars and therefore enjoy higher profit margins. The pricing structure proposed by the business makes sense as it has to be low enough to attract the household market segment, and yet high enough to signal that it is a premium product. The financials show that costs will remain low and sales growth is expected to be 20 percent per annum following the second year, and that cash flows will be positive.

With their superior quality and well-planned out strategies, as well as positive advertising and word of mouth, PC-Build has potential to build a strong equity and tap on the profits from the market.