Firm expansion in the u.s

Consumer Products Inc is a firm that succeeded at being a regional distributor of consumer products. The product selection of the company includes hair care products, anti-aging creams, detergent and bleach products, and dental care products. The company has reached a stage its lifecycle in which the managers of the corporation seek further expansion in the United States marketplace. The firm has yearly revenues of $200 million. These figures are impressive, but they hail in comparison to the revenues numbers of industry leaders such Procter and Gamble, Unilever, and Gillette. There are several strategic options the company has available to them to achieve their desire goal. The company lacks experience selling outside its regional comfort zone. A strategy that could help the company quickly penetrate other US markets is to formulate a strategic alliance with a competitor. The competitor should be a medium to large size firm that has an established network of distribution across all parts of the United States. This option can help the company increase sales volumes, but the profitability of the firm will be lower because the partner has to get his cut of the earnings. The strategic alliance deal should be negotiated in a manner that the company does not give up too much of its profits. Offering an equity participation in the company can persuade the partner to get a lower margin of the profits. A second strategy that the company could implement to expand its sales though out the United States is the implementation of an aggressive online marketing strategy. Ecommerce in the United States in 2010 reached sales of $153 billion (Plunkett Research, 2011). The company has a lot of good products that could be very attractive for online customers. A way to increase sales is by getting a freelance workforce to help increase the sites traffic and sales. The company can create an affiliation program that gives the affiliate a personalized sales website portal to promote the site. The affiliate would receive a commission on every sales generated through his sales portal. The firm should seek to employee over 100 affiliates for the firm to receive significant volume of sales from its e-marketing initiatives. The managers of the company could also implement other strategies. A third alternative is for the company to form a joint-venture with another company. A joint venture occurs when two companies open up new firm in which they share ownership and control. The new firm would be a distribution company for the products of the company. The distribution company would have ten warehouse scattered across the United States in strategic locations. The company would seek to acquire new clients. Some of the targets of the company would be large retailers such as Wal-Mart, Target, And K-mart. Pharmacy chains such as Walgreens could be ideal candidates as well. The joint venture strategy would increase the ability of the company to reach more customers across the United States. The sales volumes of the firm would increase as well as its market share. A disadvantage of a joint venture is that the other partner participates in the profit of the venture. References Plunkett Research (2011). E-commerce and Internet Industry. Retrieved April 9, 2011 from Plunkett Research database.