

Sorzal distributors essay



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1.

How might one describe the product-market matrix for Sorzal's Products?

Existing Markets New Markets Existing Offerings – Authentic Artifacts, Jewelry, Pottery High Value, Reputable New Offerings – Replicas of Authentic

Artifacts Low Value, Expands Product Line The description of the product-market matrix for Sorzal's Products starts with the existing offerings of South American, African, and Indian authentic artifacts, jewelry, and pottery. These products were used to penetrate the market and to establish a respectable reputation. The products sell for high value and have higher gross margins. The existing products also make up the largest percentage of Sorzal's sales.

The new offerings of the replicas of the authentic artifacts are being sold in an attempt to expand Sorzal's product line and target a customer base that is not willing to pay for higher-priced artifacts. This expansion comes from pressure from the firm's clients. However, the new offerings only account for a small percentage of Sorzal's sales. 2.

How would one define Sorzal's Business? How might accepting the contract affect Sorzal's Business definition? Sorzal's is a distributor of primarily authentic items that sell at high value to a customer base, which is interested in the authenticity of the items. This differentiates them from their competitors because they have a reputation of selling unique, authentic pieces. To expand their product line, Sorzal's started selling replicas of the authentic pieces to reach the target market of customers that does not want to spend as much on the authentic pieces. Accepting the contract would change the definition of Sorzal's business by damaging their reputation.

Sorzal's differentiates themselves from the competitors by being a primary distributor of authentic artifacts, jewelry, and pottery. By accepting the contract they would lose their competitive edge in the market. 4. Under what circumstances should Sorzal accept the contract? Sorzal should accept the contract if they do sufficient market research and can prove that the marketplace they are in is shifting towards replicas instead of authentic items. Sorzal should also accept if selling replicas would be profitable for them. Another reason to accept is if the potential \$4 million in annual growth.