888.723.6188
info@lineofsightgroup.com
www.lineofsightgroup.com

LINE OF SIGHT
GROUP

CASE STUDY:

COMPETITOR ENTERS A KEY MARKET

"Our primary competitor had entered one of our key markets and we needed to understand the threat and how to respond in a way that would position ourselves appropriately and ultimately retain customers even with an increase in competitive intensity."

Vice President Marketing
Manufacturing

Situation:

A mid-sized manufacturer serves architectural firms and builders with specialized building materials for large commercial and civic projects. It had long dominated a particular geographic market with strong relationships and a reputation for high quality and service. A well-established national competitor with a reputation for low pricing, however, had recently opened an office in the market, posing a threat to our client.

Solution:

Because Line of Sight Group (LoSG) had been continually monitoring competitive signals for this client, our analyst immediately identified the threat and brought it to the attention of senior management. Together we devised a research plan to assess how real the threat was and its implications for our client's market position. Elements of the assessment included validation of the competitor's capabilities, strategic intent, and customer satisfaction through a combination of secondary research and interviews with subject matter experts. A key finding was that the company planned to employ a unique price model, designed to quickly build volume in the market.

Benefit:

The research findings revealed that the new sales office would transition to a full distribution center within two years if certain sales and distributor relationship goals were met. This was consistent with past entries into other markets. Before the competitor could gain traction, however, our client established a communication campaign that included creation of key messaging points, a marketing blitz to distributors including targeted emails and office visits, a 'battle card' and training for sales representatives, and a pricing strategy adjustment designed to negate the volume advantages. After three years, the competitor's presence remains strictly a sales office with no indication of establishing a distribution center as originally planned. The client estimated the 3-year revenue savings at nearly $2 million and profit-based ROI of the research at between 10 to 1 and 15 to 1.