

Find a market entry strategy in a narrow but highly profitable growth segment of the tobacco industry for an engineering firm



Task

Find and develop a market entry strategy in a segment of the tobacco and tobacco supplier industry. This should include determining the possible barriers to entry.

The strategy should take into consideration both the macro environment (political, economic, social and technological environment / PEST-analysis) and the micro-environment of the machine manufacturers and cigarette producers.

Objective

Evaluate the potential for sales and profit in this segment. Determine how this potential market can be cultivated due to the previously existing sales structure of company.

Analyze the existing potential for cross functionalization in another area of the tobacco processing industry.

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Methods

- ◆ Personal visits to OEM's and producers in the tobacco industry will discuss and result in technological cooperation and sales opportunities including the current and future needs.
- ◆ Internet research, personal and telephone interviews with associations, public authorities and market experts are made to gather information.

Result

Presented trends in mechanical engineering for the tobacco industry. This included the worldwide end consumers that have an influence on the entire supply chain from the cultivation of tobacco to advertising of the final product.

Evaluated and determined the market size and expected revenue for the machine manufacturer for the next five years. Instigated further cooperation between the OEM's and tobacco industry allowing for a new sales approach.

Specified and recommended steps to cultivate the market to generate new revenue while expanding the current business.

Currently this market segment is a profitable fixture in the sales portfolio of the machine producer.