

UNHAGGLE.COM CASE STUDY

Your Name

Module Name

Date of Submission

EXECUTIVE SUMMARY

Unhaggle.com is Canada's first website that is dedicated to finding the best new auto prices auto buyers. In order for the company to ensure that its long sustainability is enhanced, the company needs to grow its revenues which can only be done by the developing and implementing new strategies. For the company to achieve the stated objective, three strategies are suggested. The first strategy suggested involves Unhaggle.com offering exclusive dealer network. This strategy would require dealers to pay a subscription fee for them to be allowed access to customers who are willing to buy new autos. The second strategy suggested would require Unhaggle.com diversifying the service offering implying that the company would provide more services. The diversification would suggest that the company includes other products and services such as loans and insurance policies. The third and final strategy proposes that Unhaggle.com expands into the American market that has high potential. The analysis recommends implementation of the third strategy as the strategy would ensure that the company continues growing while increasing its sales revenues.

Table of Contents

1	PROBLEM STATEMENT	5
2	SITUATION ANALYSIS	5
	Internal Analysis/Micro	5
	Corporate goals	5
	Management.....	5
	Service Offering	6
	Finance.....	6
	Marketing.....	6
	Suppliers/Supply Chain	6
	Marketing intermediaries.....	7
	Competitors.....	7
	Publics	8
	Customers	8
	External Analysis/Macro	8
	Demographic Forces.....	8
	Economic forces.....	9
	Natural forces.....	9
	Technological forces	10
	Regulatory/Political forces	11
	Cultural/Social forces	11
3	Segmentation Analysis	12
4	Strategic Alternatives	13

Strategy 1: Offer an exclusive dealer network.....	13
Strategy 2: Diversify into other machinery	14
Strategy 3: Expand into American market	14
5 Recommendation.....	15
6 Implementation	15
7 Conclusion	16
8 Bibliography	17
Appendices	20
Appendix 1: SWOT Analysis	20
Appendix 2: Market segmentation grid.....	20

1 PROBLEM STATEMENT

Unhaggle.com is Canada's first website that is dedicated to finding the best new auto prices. In order for Unhaggle.com to remain competitive and improve its service offering, the company needs to develop a marketing strategy that will be followed by a marketing and implementation plan.

2 SITUATION ANALYSIS

Internal Analysis/Micro

Corporate goals

The main objective of Unhaggle.com management team is to ensure that the company maintains the market leadership position while at the same time increasing revenues (Chiu and Leung 2012)¹.

Management

As noted by Chiu and Leung (2012)¹, all the members of the management team are highly experienced as they have held top management positions prior to giving up their posts to establish Unhaggle.com. Unhaggle.com management team experience can be argued to be one of the company's strengths since it ensures that the company strategically managed.

¹ Chiu, Sarah, and Justin Leung. *Unhaggle: Putting Customers in the Driver's Seat*. Western Ontario: Richard Ivey School of Business, 2012.

Service Offering

Unhaggle.com provides a platform through which Canadian auto dealers can outbid each other for sales of autos. The innovative service offering as discussed by Chiu and Leung (2012)¹ can be argued to be another strength to the company since it is the only available service provider in the market.

Finance

Unhaggle.com is financially stable as the company's service offering has been successfully positioned in Canada auto market. Consequently, the company receives revenues from auto dealers and the buyers implying that the company's financial position is strong (Chiu and Leung 2012)¹. The strong financial position of the company can be argued to be strength to the company. Indeed, the company can use available finances to strengthen its position in the market.

Marketing

The Company has a modest budget of marketing of \$ 15,000 which has been effectively used as the company has managed to convince both auto dealers and the buyers that Unhaggle.com is the best website for them (Chiu and Leung,2012)¹. Nevertheless, this can be seen as a weakness since that means that the company's marketing budget is limited.

Suppliers/Supply Chain

The suppliers or supply chain in case of Unhaggle.com is made up of the auto dealers who list the cars on their stock list on Unhaggle.com.

Marketing intermediaries

Unhaggle.com does not have any market intermediaries. Instead, the company acts as a mediator between the seller and the buyer.

Competitors

A competitor is an institution that is a rival against another organization (Ferrell and Hartline 2011)². Even though Unhaggle.com does not have any direct competitors that offer similar platform as the one offered by the company, the company still faces competition from other organization. One of Unhaggle.com competitors is Ebay Canada that offers a sales platform where auto dealers can directly interact with prospective buyers (Ebay 2012)³. Furthermore, Unhaggle.com also faces competition from other websites that list various models of autos on sale in Canada. Example of such competitors includes Autotrader.ca (Autotrader 2012)⁴, monsterauto.ca (Monster 2012)⁵, Auto123.com (Auto123 2012)⁶, (Cost 2012)⁷, (Driving.ca 2012)⁸ and carcanada.com (Canada 2012)⁹ among others. This means that the company has to adopt effective marketing strategies in order to ensure that the company remains successful. Moreover, the imminent arrival of American based cardirect.com to the Canadian market as

² Ferrell, O. C., and Michael D. Hartline. *Marketing Strategy*. 5th . Canada: Nelson Education Ltd, 2011.

³ Ebay. *Ebay Canada Webpage*. October 23, 2012. www.ebay.ca (accessed October 23, 2012)

⁴ Autotrader. *Autotrader Canada Website*. October 23, 2012. www.autotrader.ca (accessed October 23, 2012).

⁵ Monster. *Monster Canada*. October 23, 2012. www.monsterauto.ca (accessed October 23, 2012).

⁶ Auto123. *Auto123 Official Webpage*. October 23, 2012. www.auto123.com (accessed October 23, 2012).

⁷ Cost, Canada Car. *Car Cost Canada webpage*. October 23, 2012. www.carcostcanada.com (accessed October 24, 2012).

⁸ Driving.ca. *Driving.ca official website*. October 23, 2012. www.driving.ca (accessed October 24, 2012).

⁹ Canada, Car. *Car Canada*. October 23, 2012. www.carcanada.com (accessed October 23, 2012).

highlighted by Chiu and Leung, (2012)¹ implies that the company faces some threats in the market hence the need for development of effective marketing strategies.

Publics

Unhaggle.com service offerings are targeted towards the general public who are about to embark on a car buying process. The Canadian population is reported to be growing faster than any of the G7 population. That means that Unhaggle.com will have more opportunities in the future as the demand for new cars will rise as population increases (Scotfield 2012)¹⁰.

Customers

A customer is a person or an organization that buys goods or services from a business (Kotler 2004)¹¹. In the perspective of Unhaggle.com, the company has two types of customers who consist of the auto buyers and the auto dealers. It is from that perspective that the company can be argued to have a lot of opportunities since the service offering appeals to both the auto dealers and auto buyers.

External Analysis/Macro

Demographic Forces

Demographic forces consist of outcomes of changes in characteristic of a population. Some of the aspects include age, race, ethnic origin and social class (Hill and Jones 2012)¹². The current population of Canada is 34,300,083 with 68.1% of the population (23,345,366) aged

¹⁰ Scotfield, Heather. *Canada Census: Population Aging Quickly, But Toddlers on Rise*. May 29, 2012. www.huffingpost.ca/2012/05/29/canada-aging-population_n_1552202.html (accessed October 23, 2012).

¹¹ Kotler, Phillip. *Principle of Marketing*. New Jersey: Pearson Education, 2004.

¹² Hill, Charles W. L., and Gareth R. Jones. *Essentials of Strategic Management*. Canada: Cengage Learning, 2012.

between 15-64 years (CIA 2012)¹³. The 34,300,083 Canadians who are aged between 15-64 years can be argued to present a tremendous opportunity to Unhaggle.com since as noted by Chiu and Leung (2012)¹, majority of Canadians buy a car after buying their houses, and it is obvious that most of these Canadians are in the 15-64 age bracket.

Economic forces

After experiencing slow economic growth for the last few years, the Canadian economy experienced an economic upturn in the year 2011 while the upturn was expected to continue in the year 2012. As a result of the economic upturn, the spending levels of Canadians are to increase (Craik 2012)¹⁴ (Morrissy 2012)¹⁵ (Advisor 2012)¹⁶ (Wright, Ferley and Lalonde 2012)¹⁷. The growth of the Canadian economy presents an excellent opportunity for Unhaggle.com. In fact, as a result of the economic improvement, it is that there will be an increased demand for Unhaggle.com services as majority of Canadians will have more money to spend.

Natural forces

Natural forces as applied in this report refer to unseen future events that would be caused by nature. Examples of such events include hurricanes, earthquakes, typhoons and flooding. In

¹³ CIA. *CIA The World Fact Book*. October 23, 2012. www.cia.gov/library/publications/the-world-factbook/geos/ca.html (accessed October 23, 2012).

¹⁴ Craik, Kristin. *Canada's 2012 Economic Outlook: Positive and Negative*. February 15, 2012. www.businessreviewcanada.ca/money_matters/canadas-2012-economic-outlook-positive-and-negative (accessed October 22, 2012)

¹⁵ Morrissy, John. *Improving economy, lower spending give Ottawa 'wobble room' on federal budget*. March 21, 2012. <http://business.financialpost.com/2012/03/21/improving-economy-lower-spending-give-ottawa-wobble-room-on-federal-budget/> (accessed October 24, 2012).

¹⁶ Advisor. *Canadian Economy Improving: RBC*. September 10, 2012. www.advisor.ca/news/industry-news/canadian-economy-improving-rbc-89259 (accessed October 23, 2012).

¹⁷ Wright, Craig, Paul Ferley, and Elyse Lalonde. *Canada's economy continues to expand as global risks wane slightly: RBC Economics*. September 10, 2012

situations where such events were to occur in Canada, they will threaten Unhaggle.com operations since auto dealers as well as buyers of autos who are customers of the company will be disturbed implying that the demand of services provided by Unhaggle.com will decrease. On the other hand, once the affected Canadians have settled down again, the demand for Unhaggle.com services will increase since the Canadians will embark on auto buying process. Nevertheless, it is essential to note that the probability of a natural calamity hitting Canada is extremely low since the last substantial calamity to be experienced was in September 2003 when two major hurricanes hit the region (Robertson 2009)¹⁸.

Technological forces

During the last few years, there have been significant strides made in the technological world. In particular, social networking sites have become part and parcel of most people's lives and any business that wants to be effective has to have presence in at least one of the social media platforms (Carter and Levy 2012)¹⁹ (Kimbarovsky 2009)²⁰. In the perspective of Unhaggle.com, the various social platforms present an opportunity that the company can use for marketing purposes as well as interacting with potential customers. The fact that over 55% of Canadian population (Bakers 2012)²¹ (Faber 2011)²² is on Facebook implies that the company has to establish its presence on Facebook in order to market its services to the millions of

¹⁸ Robertson, Ian. *Canada's most deadly natural disasters: A history lesson in tragedy*. September 15, 2009. www.edmontonsun.com/news/canada/2009/09/15/10907051-sun.html (accessed October 21, 2012)

¹⁹ Carter, Brian, and Justin Levy. *Facebook Marketing: Leveraging Facebook's Features for your Marketing Campaigns*. USA: Que Publishing, 2012.

²⁰ Kimbarovsky, Ross. *10 small business social media marketing tips*. October 28, 2009. <http://mashable.com/2009/10/28/small-business-marketing/> (accessed October 21, 2012).

²¹ Bakers, Social. *Canada Facebook Statistics*. July 15, 2012. www.socialbakers.com/facebook-statistics/canada (accessed October 23, 2012)

²² Faber, Les. *Canadian Social Media Statistics*. July 20, 2011. www.webfuel.ca/canada-social-media-statistics-2011/ (accessed October 23, 2012).

potential customers available on Facebook. Furthermore, the company can also establish its presence on Twitter (Twitter 2012)²³ in order to ensure that it also keeps in touch with prospective clients who do not use Facebook. Finally since Unhaggle.com business is a web based, the company has to ensure that the webpage is appealing and user friendly to anyone who visits the site.

Regulatory/Political forces

As is the case with any other business, Unhaggle.com has to ensure that it conducts its business in accordance with established rules and regulations. In particular, the fact that Unhaggle.com conducts its business online implies that the company needs to ensure that it adheres to Canadian privacy rules and regulations in perspective of ensuring that customers' data is not disclosed to other third parties apart from the auto sellers (Commissioner 2010)²⁴.

Cultural/Social forces

As highlighted by (Chiu and Leung, 2012)¹, majority of Canadians embark on a car buying process once they have bought or mortgaged a house. As the population of Canada grows, the demand for cars is expected to increase. As a matter of fact, since year 2010, the Canadian auto sector has reported an increase in car sales (Canadian 2012)²⁵. The increased demand for new autos in Canada can be attributed to the increasing trend of young Canadians moving out from their parents and establishing their own homes (Guardian 2012)²⁶. That trend is expected to

²³ Twitter. *Twitter Web page*. October 23, 2012. www.twitter.com (accessed October 23, 2012)

²⁴ Commissioner, Privacy. *Privacy Act*. June 9, 2010. www.priv.gc.ca/leg_c/legislation/02/_07_01_e.asp (accessed October 2012, 2012).

²⁵ Canadian, Press. *Canadian auto sales gain traction in 2011*. Jan 4, 2012. www.cbc.ca/news/canada/story/2012/01/04/auto-sales-december.html (accessed October 23, 2012)

²⁶ Guardian. *Single Canadians buying real estate should be more diligent than couples*. September 21, 2012. www.theguardian.ca/Business/2012-09-20/article-3080013/Single-Canadians-buying-real-estate-should-be-more-diligent-than-couples/1 (accessed October 20, 2012).

continue for the next few years. That means that unhaggle.com has a lot of opportunity to exploit in the market as the young professionals graduating from universities and colleges will at some time be seeking to buy a new auto (See Appendix 1).

3 Segmentation Analysis

Market segmentation involves categorizing existing or potential customers into different groups or segments in which customers are assumed to have similar needs. Organizations undertake segmentation with the purpose of winning and retaining customers (Weinstein 2004)²⁷, (McDonaly and Dunbar 2004)²⁸. It is noteworthy that any organization that wishes to be successful in its operations segments its potential customers. Segmentation permits organizations to develop segments according to various aspects and then establish the behavioral pattern within the groups. Once segmentation is completed, organizations are then able to implement advertising campaigns. The advertisement campaigns are aimed at convincing segments that the organization offerings are the best in the market (Moore and Pareek 2010)²⁹.

In the perspective of Unhaggle.com, the overall market consists of all auto dealers in Canada as well as all the Canadians wishing to purchase autos (Chiu and Leung (2012)¹. The company's main primary market is made up of Canadians embarking on a new car buying process for the very first time while the secondary market is made up of Canadians buying new autos but not for the first time (Chiu and Leung (2012)¹. The difference between the two markets is that the primary market is made up of novice buyers of new auto. The novice buyers will be seeking a platform that provides them with all the information about the autos available for sale .On the

²⁷ Weinstein, Art. *Handbook of Market Segmentation: Strategic targeting for bbusiness and technology firms*. USA: The Haworth Press, Inc, 2004.

²⁸ McDonaly, Malcolm, and Ian Dunbar. *Market Segmentation: How to do it, how to profit from it*. New York: Elsevier, 2004

²⁹ Moore, Karl, and Niketh Pareek. *Marketing:The Basics*. Canada: Routledge, 2010

other hand, the secondary market made up of Canadians who are well acquainted with car buying process is primarily seeking a platform through which they can be able to negotiate the price and ensure that they get a reasonable deal for a new auto (Chiu and Leung (2012)¹. Unhaggle.com can be argued to be well positioned to meet the needs of the primary market. This is the case because the platform provides the buyers with a platform to engage with the sellers without physically visiting their premises. In the perspective of the secondary market, it can be argued that more is required from Unhaggle.com offering in order to convince the market that Unhaggle.com is the ideal website that they should visit when buying a car. (See Appendix 2).

4 Strategic Alternatives

There are three strategic alternatives that can be implemented by Unhaggle.com. The suggested strategies will ensure the company maintains market leadership position and increases its revenues.

Strategy 1: Offer an exclusive dealer network

The main target for this strategy would be the dealer networks that are willing to pay a subscription fee in order for their stock to be listed in Unhaggle.com. The strategy will be attractive to dealers as they are likely to face less competition from excluded dealers. From dealers' perspective, less competition imply more sales and more profit margins. In the perspective of Unhaggle.com, this strategy would be advantageous since the company would be assured of income since dealers who enroll are expected to pay subscription fees. In addition, the company is also expected to earn income from the buyers who will be using the serving. On the other hand, the main disadvantage of this strategy is that the company risks losing the reputable brand image that it has successfully. This is because once they would be buyers become aware

that some dealers are excluded, they are likely to avoid using the service as they would not be sure that they will get the best deal in the market (Chiu and Leung (2012)¹.

Strategy 2: Diversify into other machinery

The second strategy would require the company diversifying to other sectors meaning that the site would now appeal to buyers of other products that might include agricultural products, business loans or even insurance policies. The main advantage of this strategy is that Unhaggle.com will become popular as Canadians will visit the site in order to ensure that they get the best deals. In addition, the strategy will ensure that the company will not be affected to developments in the auto sector as is the situation at the moment. The main disadvantage of the strategy is that the company would lose its position in the auto sector once it diversifies into other sectors. The approach means that Unhaggle.com bargaining power with the auto dealers will be lost.

Strategy 3: Expand into American market

The last strategy that Unhaggle.com might apply would entail the company expanding into the American market and establishing presence there. Some of the advantages of this strategy are that the company a new revenue stream would be created as America would present a new market for the company. In addition, the company might use the strategy in order to make sure that Cardirect.com does not establish presence in the Canadian market as the company will have to protect its American market share. On the other hand, the main disadvantage of this strategy is that if the strategy is not well executed, it might result to closure of the company as the company does not have a lot of resources as compared to resources that Cardirect.com has.

5 Recommendation

The recommendation of choice based on all the research and market analysis provided above is strategic option 3 that involves expansion into the American market. This strategy provides the best fit for Unhaggle.com current objective of ensuring that the revenues are increased. In year 2011, 14.1 million new cars were sold in America (Bennett and Warner 2012)³⁰. Assuming that Unhaggle.com manages to capture only 0.5 % of the American market would imply that the company would be helping about 70,500 customers in buying new car. Assuming that a quarter of the 70,500 customers successfully buy a car through Unhuggle.com, that means that the company will earn sales commissions from 17,625 customers which will translate to \$ 4,406,250 per year while assuming the average commission earned per customer is \$250 (See Appendix 3).

6 Implementation

The implementation process of strategy 3 will begin with market research. The research will be conducted in order to analysis the American market and confirm if the forecasted sales revenue can be achieved in year 3. After the market research, the company will then focus on development of the American market website through which new car buyers can have access to dealers (product). Once the website has been developed, Unhaggle.com will then embark on a promotion campaign that will at the end result to the establishment of relationships with American auto dealers so that the auto that they are selling can be listed on Unhaggle.com America pages. Once the agreement has been reached, the next step will involve the company conducting various promotion campaigns to ensure that prospective customer become aware of the company's service offering. Since services provided by Unhaggle.com are web based, there

³⁰ Bennett, Jeff, and Melodie Warner. *June U.S Auto Sales Remain Strong*. June 3, 2012. <http://online.wsj.com/article/SB10001424052702304299704577504433416076536.html> (accessed October 3, 2012).

will be no physical location where customers can visit the company. Instead, all transactions will be conducted online. Nevertheless, the ten company employees will be based in offices that will be based in Detroit.

7 Conclusion

From the analysis, expansion to America market is the most appropriate strategy as this will ensure that the company increases its revenues by creating a new revenue stream.

8 Bibliography

Advisor. *Canadian Economy Improving: RBC*. September 10, 2012.

www.advisor.ca/news/industry-news/canadian-economy-improving-rbc-89259 (accessed October 23, 2012).

Auto123. *Auto123 Official Webpage*. October 23, 2012. www.auto123.com (accessed October 23, 2012).

Autotrader. *Autorader Canada Website*. October 23, 2012. www.autotrader.ca (accessed October 23, 2012).

Bakers, Social. *Canada Facebook Statistics*. July 15, 2012. www.socialbakers.com/facebook-statistics/canada (accessed October 23, 2012).

Bennett, Jeff, and Melodie Warner. *June U.S Auto Sales Remain Strong*. June 3, 2012.

<http://online.wsj.com/article/SB10001424052702304299704577504433416076536.html> (accessed October 3, 2012).

Canada, Car. *Car Canada*. October 23, 2012. www.carcanada.com (accessed October 23, 2012).

Canadian, Press. *Canadian auto sales gain traction in 2011*. Jan 4, 2012.

www.cbc.ca/news/canada/story/2012/01/04/auto-sales-december.html (accessed October 23, 2012).

Carter, Brian, and Justin Levy. *Facebook Marketing: Leveraging Facebook's Features for your Marketing Campaigns*. USA: Que Publishing, 2012.

Chiu, Sarah, and Justin Leung. *Unhaggle: Putting Customers in the Driver's Seat*. Western Ontario: Richard Ivey School of Business, 2012.

CIA. *CIA The World Fact Book*. October 23, 2012. [www.cia.gov/library/publications.the-world-factbook/geos/ca.html](http://www.cia.gov/library/publications/the-world-factbook/geos/ca.html) (accessed October 23, 2012).

Commissioner, Privacy. *Privacy Act*. June 9, 2010.
www.priv.gc.ca/leg_c/legislation/02/_07_01_e.asp (accessed October 2012, 2012).

Cost, Canada Car. *Car Cost Canada webpage*. October 23, 2012. www.carcostcanada.com (accessed October 24, 2012).

Craik, Kristin. *Canada's 2012 Economic Outlook: Positive and Negative*. February 15, 2012.
www.businessreviewcanada.ca/money_matters/canadas-2012-economic-outlook-positive-and-negative (accessed October 22, 2012).

Driving.ca. *Driving.ca official website*. October 23, 2012. www.driving.ca (accessed October 24, 2012).

Ebay. *Ebay Canada Webpage*. October 23, 2012. www.ebay.ca (accessed October 23, 2012).

Faber, Les. *Canadian Social Media Statistics*. July 20, 2011. www.webfuel.ca/canada-social-media-statistics-2011/ (accessed October 23, 2012).

Ferrell, O. C., and Michael D. Hartline. *Marketing Strategy*. 5th . Canada: Nelson Education Ltd, 2011.

Guardian. *Single Canadians buying real estate should be more diligent than couples*. September 21, 2012. www.theguardian.ca/Business/2012-09-20/article-3080013/Single-Canadians-buying-real-estate-should-be-more-diligent-than-couples/1 (accessed October 20, 2012).

Hill, Charles W. L., and Gareth R. Jones. *Essentials of Strategic Management*. Canada: Cengage Learning, 2012.

Kimbarovsky, Ross. *10 small business social media marketing tips*. October 28, 2009.
<http://mashable.com/2009/10/28/small-business-marketing/> (accessed October 21, 2012).

Kotler, Phillip. *Principle of Marketing*. New Jersey: Pearson Education, 2004.

McDonaly, Malcolm, and Ian Dunbar. *Market Segmentation: How to do it, how to profit from it*. New York: Elsevier, 2004.

Monster. *Monster Canada*. October 23, 2012. www.monsterauto.ca (accessed October 23, 2012).

Moore, Karl, and Niketh Pareek. *Marketing: The Basics*. Canada: Routledge, 2010.

Morrissy, John. *Improving economy, lower spending give Ottawa 'wobble room' on federal budget*. March 21, 2012. <http://business.financialpost.com/2012/03/21/improving-economy-lower-spending-give-ottawa-wobble-room-on-federal-budget/> (accessed October 24, 2012).

Robertson, Ian. *Canada's most deadly natural disasters: A history lesson in tragedy*. September 15, 2009. www.edmontonsun.com/news/canada/2009/09/15/10907051-sun.html (accessed October 21, 2012).

Scotfield, Heather. *Canada Census: Population Aging Quickly, But Toddlers on Rise*. May 29, 2012. www.huffingpost.ca/2012/05/29/canada-aging-population_n_1552202.html (accessed October 23, 2012).

Twitter. *Twitter Web page*. October 23, 2012. www.twitter.com (accessed October 23, 2012).

Weinstein, Art. *Handbook of Market Segmentation: Strategic targeting for business and technology firms*. USA: The Haworth Press, Inc, 2004.

Wright, Craig, Paul Ferley, and Elyse Lalonde. *Canada's economy continues to expand as global risks wane slightly: RBC Economics*. September 10, 2012. www.newswire.ca/enstory/1032793/canada-s-economy-continues-to-expand-as-global-growth-risks-wane-slightly-rbc-economics (accessed October 22, 2012).

Appendices

Appendix 1: SWOT Analysis

<p style="text-align: center;">Strengths</p> <ul style="list-style-type: none"> • Experienced and well versed management team. • The company has first mover advantage in the Canadian market. • Established relationship with auto dealers. • The company has a database of prospective customers that it can use to market its services. 	<p style="text-align: center;">Weakness</p> <ul style="list-style-type: none"> • Limited marketing budget. • The company has only been existence for few years implying that it has a weak brand image.
<p style="text-align: center;">Opportunities</p> <ul style="list-style-type: none"> • The improving Canadian economy could result to increased demand of services. • High percentage of Canadian aged between 14 – 54 means that the company has a huge market. • The company can use social media platforms to markets its services. • There are opportunities to expand to new markets. 	<p style="text-align: center;">Threats</p> <ul style="list-style-type: none"> • High threat posed by entrance of new competitors in the market. • Natural events can negatively affect the company. • In situations where dealers decide to withdraw their collaboration with the company, the company’s existence would be threatened.

Appendix 2: Market segmentation grid

Market Segments	Income	Size (%)	Location	Needs
Primary Segment	\$35,000+	12,000,000	Throughout Canada	The Canadians in this segment are first time buyers and are thus looking for a website where they can get comprehensive information on car buying process as well as ensuring that they get the best deal in the market.
Secondary Segment	\$55,000+	5,000,000	Throughout Canada	This segment consists of Canadians who understand new car buying process but are seeking a convenient approach through which they can be sure that they get the best deal in the market.

Appendix 3: Options Matrix

Strategic Alternative	Financial Implications	Time to Full Implementation	Solves Issue	Future Growth/ Profits
Strategic Option 1: offer an inclusive dealer network	Very little costs	Can take some time to implement as agreement have to be reached with the dealers	Not really	Low
Strategic Option 2: Diversify into other machinery	A lot of finance is required for promotion as well as website developments	8-12 Months	Yes	High
Strategic Option 3: Expansion into America	A lot of finance is required for promotion as well as website developments	5 months	Yes	Very High