



CLIENT STORY | MARKET SHARE IMPROVEMENT STRATEGY FOR A LEADING CONSTRUCTION MATERIALS PLAYER

Region :
INDIA

Consulting Services :
GROWTH STRATEGY

CLIENT SITUATION

- Our client, which is part of a diversified business house in India, is a leading player in a construction materials product line
- Once a dominant player, the company was losing market share to 2-3 strong competitors
- The promising growth prospects of the product line prompted many players to announce capacity expansion plans over the next 3-5 years, thereby putting the leadership position of the client under threat
- In this context, the client wanted to formulate a clear growth strategy focusing on arresting falling market share, and regaining its dominant market position by achieving higher-than-market growth rates
- In view of the regional nature of production and logistics, a key deliverable in the assignment was to recommend the geographies to focus on for best impact

OUR APPROACH

- Various factors that influence product demand were identified
- 16 year data for two of most relevant factors was used to create a predictive regression model for medium term demand. Sensitivity of demand to changes in the various factors was also assessed
- State wise demand estimates presented by the client were reconfirmed based on extensive field research by Avalon
- After a detailed analysis of state-level growth trends, the factors that most influence the growth of the market for the product at the state level were identified
- Analyzing the trends across all high-growth states for these factors, we identified states which are likely to record high / medium growth in the medium-term

OUR RECOMMENDATION/ IMPACT

- The focus markets for the client were classified based on client’s market share position and a growth strategy was formulated for each strategic cluster
- In markets where the client was the leader, recommended initiatives were directed towards “driving category growth”, since it stood to be the largest beneficiary of growth in demand
- In markets where the client was in the 3rd or 4th place, it was recommended that the client benchmark the key competitors to gain market share and also undertake brand promotion initiatives to strengthen its position