

SEMI'S TRAINING: CASE STUDY ANALYSIS

MARKETING: GOALS, STRATEGIES & COMPETITORS ANALYSIS

REAL SEED CO LTD

Real Seed Co. was established 50 years ago, as a result of a merger between two strong seed companies Deed Seed Co and Sim Seed Co. Deed Seed Co had an extensive local retail network while the Sim Seed Co. had a worldwide network. The synergy from the merger assured Real Seed Co of a big market share in both local and foreign trade. The seed market share grew continuously which had a positive impact on profits. More resources were spent on opening new retail outlets, introducing new seed varieties, promotion and training.

In a past board meeting, Mr. James expressed the view that Real Seed Co should have a strategic marketing plan for sustainable business growth and expansion in the increasingly competitive environment. In response to this, Mr. David retorted, "Why spend money on strategic plans when we are making huge profits every year? We are also able to exploit any business opportunities that arise." There was mixed reaction from the floor about the views expressed by the two directors.

Due to its past good performance, Real Seed Co. developed new products and service delivery programmes without market analysis as it thought it knew what was best for its farmers. At one point, Real Seed Co. had the State-of -the-Art information system which worked so well for so many years that the need to change or update it was felt to be unnecessary.

While Real Seed Co. was engrossed with success and the feeling that it was beyond reproach, the Seed industry was transforming at a fast pace. The main Seed Industry Players adopted an aggressive campaign to acquire modern information technology systems, to gather reliable data both internally and externally, more specifically on customers and competitors, and offer new and competitive products focused on clear market segments.

The other seed companies both local and International were busy attracting Real Seed Co customers in large numbers due to their service, ability to negotiate attractive terms and basically being market-driven .Real Seed Co found itself being attacked in all its core market segments, without ability to stop erosion of its market share and profitability.

The shareholders have been adversely affected by the huge losses reported by this seed company in the last two years. They have not received any dividend during this period. The Chief executive, Mr. Robert in the Annual General meeting was quoted saying "The mist has cleared from our eyes, I assure shareholders and all stake holders that the fortunes of Real Seed Co will change in the next one or two years through an extensive rationalization programme."

Questions

- 1) Is Real Seed Co market-driven seed company?. Justify.
- 2) Comment on Mr. David's statement on the strategic marketing plans.
- 3) Develop an inventory of issues on competitor analysis Mr. Robert need to see analyzed.
- 4) Propose some growth strategies and their execution Real Seed Co should pursue?