Milestone One: Justification

Name

Institution affiliation

Date submitted

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The Automotive industry in the US and the rest of the world currently lacks a standard product for cleaning car windscreens from the inside (Facts, 2019). However, this does not mean that there are no products developed for that purpose - air conditioners and glass heaters are the industry’s main products - which, as research shows, are less impactful and are said to be the cause of road accidents at times. Pitsher Autos, a two-year-old car parts manufacturer, specializing in car windscreens developed just the right solution to the current market gap, a windscreen wiper that cleans from inside the windshields. Ceteris Paribus, the product checks through all the limitations brought about by the fog that forms on the inside of windshields especially during winter - efficiency, effectiveness, safety, and reliability are some of the factors that the new product will uphold.

**The Rationale behind the Concept**

Most importantly, the fact that a windshield wiper that cleans the inside of the windshield will be the first in the market gives the company the first-mover advantage in terms of market share, pricing strategy, and profitability. The concept behind the development of the new product is genius, and with the recent attention that Pitsher Autos has received from prominent industry players such as Ford and GM, the market potential for the product is immense (Facts, 2019).

The conceptualization of the idea came with the company’s late 2018 breakthrough in producing the first wiper that has the option to vary speed – giant companies such as GM and Tesla got more interested in the company, and coincidentally, the two are some of the product’s biggest market. This is a secondary market that is derived from about 88% adult Americans who own cars.

**Pitsher Autos and the New Product’s Strategic Fit**

The mission objective of the company is to define its signature in the industry by continuously producing the best products that exceed customer expectations and at the same time, remain conscious of price and durability. Therefore, two of Pitsher Autos’ strategies revolve around pricing and product differentiation. The idea to develop a new product should be in a company’s best interests as it aligns with the overall objective of the company (Prajogo, 2016). Thanks to the superb planning and production processes that Pitsher Autos implements, the production of the new product shall not require the acquisition of modern technology, structures, nor management. This is because the company already has a robust leadership structure that will oversee the entire production-sales process. Thanks to Pitsher Autos’ superb production technology, costs associated with the development of the product are not even half of what the company had initially projected – this is expected to significantly reduce the costs of production and distribution (advertising and marketing) of the new product (Prajogo, 2016).

**Problem and Opportunity Addressed**

Initially, we talked about the current market gap as far as an inner windshield wiper is concerned. The current means of cleaning the fog that forms inside the windshield are inadequate, inefficient, and sometimes associated with fatalities on the road. The use of air conditioning and glass heating has proved ineffective, and therefore, the market needs an efficient way to clean the inside of a windshield. The current problem in the market is that air conditioning and glass heating methods are slow, inefficient, and sometimes dangerous, limitations which have led to an unsatisfied consumer market due to a non-satisfactory product.

The new product’s ability to handle the problem and at the same time accrue satisfaction is a shift in the market, which will not only see Pitsher Autos’ revenues soar but it will also address the current market need for a satisfactory inner-windshield wiper. The effectiveness with which the problem shall be solved is something that will cause a significant ripple effect within the automotive parts industry, with demand projected to increase at a fast-paced rate year after year.

As much as the new product is aimed at addressing the lack of satisfaction in the market, the problem to be solved is the product’s niche in the market, providing an opportunity to brand the company along the lines of the first manufacturer of inner-windscreen wipers in the world. This opportunity is yet to be tapped into, and as a result, any potential investor would want to buy in, help make this vision a reality and accumulate huge revenues from the sale of the product.

**The Market**

The product’s primary targets include Ford Motors, GM, and Tesla, three of America’s biggest car manufacturers. Luckily, the three giants already have a keen eye on Pitsher Autos’ products in the wake of the 2018 breakthrough. The likelihood that the three will be interested in the windshield wipers is high. Basing our argument on the industry’s consumer trends where auto parts producers tend to concentrate in their home markets, the new product is expected to penetrate the Eurozone and Asian markets with ease – furthermore, the product is the first of its kind in the world and our pricing strategy will effectively tackle any Chinese competition in the short-run. Council (2018) believes that a new product, being the first of its kind and given its effectiveness in tackling the current market problems and increasing customer satisfaction, will be the catalyst to penetrate the market. The current size of the US primary market includes 88% of adult Americans who own at least one car – if they all go for the new inner-windshield wipers that Pitsher Autos is planning to manufacture, and then the company is well poised to enjoy a monopoly in the US market.

The market size and potential make this opportunity the real gold mine for a visionary investor. The icing on the cake for the product and the company as well is the attention that Pitsher Autos has received since its breakthrough in 2018. The target market is even more interested in our products which give the company an upper hand because it does not have to go through the tedious hassle of introducing its brand to the potential buyers – they already know of Pitsher Autos.

**Competition**

The fact that the new product is the first of its kind means that the company will enjoy the highly-coveted first-mover advantage in both price and market share. With the potential to gain a short-run monopoly in the US market, there currently lacks a rival to the product. Pricing strategy will be unmatched because Pitsher Autos will be at liberty to set prices freely without a competitor in mind.

Consumer prices are sustainable, and according to Kienzler & Kowalkowski (2017), the US consumers can easily afford the product and will be more than willing to pay for it because of its effectiveness and customer satisfaction. Pitsher Autos’ plan to implement the concept into a product is arguably the most visionary plan in the company’s history and one that is expected to see the company edge out any competitors with ease. Thanks to its low costs of production, top-tier technology that boosts R&D, manufacturing and marketing, correct pricing and product strategies and fiscal (tax) incentives through the Federal’s Government move to reduce corporate tax rates for the Auto industry; the new product will easily penetrate the market (Prusa, 2016).

**Innovation**

Above all else, the new product is the most innovative of Pitsher Autos’ products and the first of its kind in the automotive parts market. The company’s history of producing superior products makes the inner widescreen wiper even more excellent. Innovation was at the heart of the new product’s development thanks to the company’s cutting edge technology, research, and development – the market is currently unsatisfied with the air conditioners and glass heaters used to clear the fog inside the windshields and the inner windshield wipers effectively maximize satisfaction through a safer, unique and efficient windshield cleaner. Pitsher Autos’ innovative drive towards the development of the new inner windscreen wipers started with the 2018 big breakthrough, and it is the same technology that was applied in the development of the new product. Capable leadership and technology increased innovation through product optimization.

Secondly, the new inner windshield wiper is a product within Pitsher Autos’ best strategic fit thanks to its uniqueness. As mentioned earlier, the company’s breakthrough with the unique windshield wiper that operates at variable speeds got the eyes of potential customers such as Ford and Tesla. Uniqueness, therefore, is a major driver of the company’s product portfolio, and the new inner windshield wiper is the epitome of that uniqueness. In addition, the new product will be available in varieties, ranging from large to small vehicle windshields – this will enhance the company’s strategy to have every vehicle installed with the product at affordable prices.

In conclusion, the current market gap is one of the primary reasons why Pitsher Autos is looking to develop and manufacture a product that will solve the problem of the lack of an efficient inner windshield cleaner. The second reason for the development of inner windscreen wipers is the strategic fit of the concept, where the development of this product sits well with the company’s core business – the production of auto parts with a specialty in Windshield Wipers. Thirdly, with the attention of large industry players such as Ford, Tesla, and General Motors, Pitsher Autos is expected to hold even higher levels of corporate social responsibility.

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