

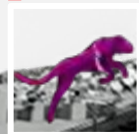


Scuderia AddaDaas – SIM Summary 1

Quarter 1–2 Strategic Report

Primary Segment: Speed

Team Members: Lokesh Addagiri, Chirag Daas





Strategic Focus: Differentiation in the Speed Segment

Our division selected Speed as our primary target segment in Quarter 1.

We pursued a focused differentiation strategy, designing Scuderia Vènto specifically for high-performance cyclists who value aerodynamic performance and elite image.

Key Product Decisions:

- Sleek aerodynamic frame
- Racing tires
- 24-speed gearing
- Precision brakes
- Racing seat

These design elements reinforced positioning around:

- Speed
- Performance
- Elite aesthetics



Premium Pricing to Support Elite Positioning



Premium Pricing to Support Elite Positioning.

Competitor Average Prices:

- Carbon Cycles: \$899
- Perpetua Motion: \$855
- Swift Cycles: \$1,200
- C&P Cycling: \$799

Our premium pricing strategy was consistent with:

- Differentiation positioning
- High perceived quality
- Targeting low price sensitivity in Speed

We did not use rebates, reinforcing a prestige strategy.



Integrated Promotion Mix

Advertising Strategy:
We designed the "Race the Vento"
ad to emphasize elite image and
performance cues



Ad messaging focused on:

- Brand name recall
- Racing visuals
- Elite look
- Carbon fiber lightness

- Marketing Effectiveness Score: 70.5
- Brand Judgment (Speed): 73
- Ad Judgment (Speed): 68

Local Media:

- 13 inserts in New York City
- Total local media expense: \$13,579



Selective Distribution with Dedicated Sales Force



We opened a store in New York City.

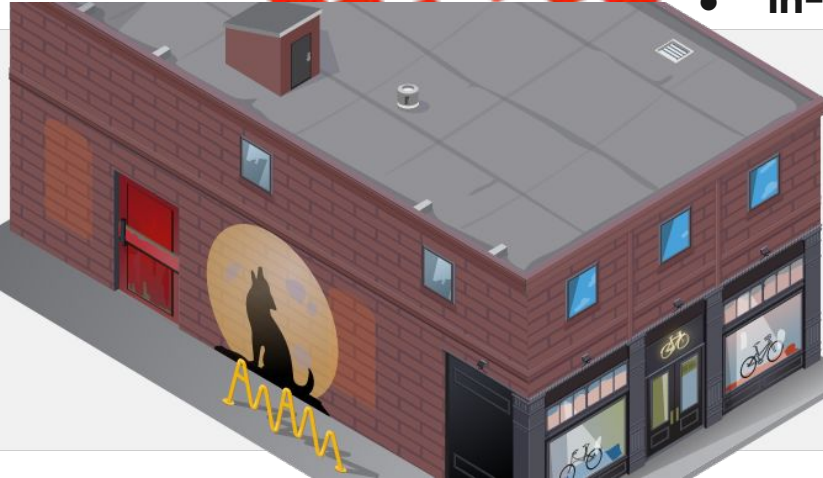
Quarterly Store Lease: \$72,000

Hired 4 salespeople:

- 3 specialized in Speed
- 1 service support

This represents a push strategy, supporting:

- **Personal selling**
- **Sales force specialization**
- **In-store customer experience**



Market Performance

Strong in Target Segment

Units Sold: 118

Total Revenue: \$147,382

Market Share in Speed: 45%
(Second only to Swift at 55%)

Overall Market Share: 15%

Balanced Scorecard Total Performance: 37.845
2nd place overall

Interpretation:

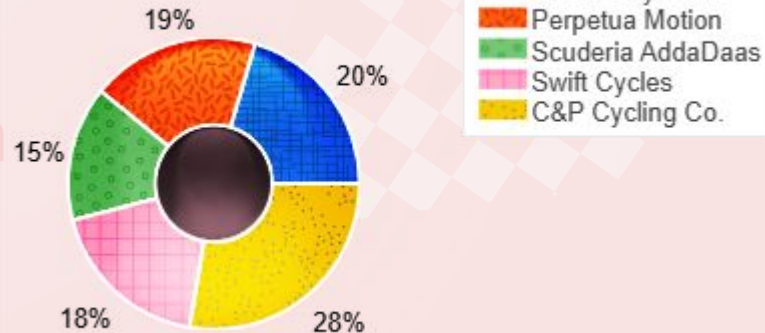
Our focused strategy successfully generated strong demand within our target segment.

Balanced Scorecard

Results of the previous quarter (Quarter 2).

	Minimum	Maximum	Average	Scuderia AddaDaas
Total Performance	30.559	43.519	36.193	37.845
Financial Performance	-1.965	0.585	-1.021	-1.965
Market Performance	28.000	55.000	40.000	45.000
Marketing Effectiveness	65.000	77.000	69.600	70.500

Market Share



Short-Term Loss for Long-Term Positioning

Brand Profit: \$28,194

Profit per unit: \$239

However, Division Net Profit: $-\$78,586$

Major Cost Drivers:

- Store Lease: \$72,000
- Sales Force: \$34,780
- Brand Engineering: \$30,000

Financial Performance Score: -1.965

Analysis:

The negative division profit reflects high fixed start-up costs, not weak demand. Our premium brand achieved positive brand-level profitability, indicating strategic viability.

Division Profitability

Results of previous quarters.

	Quarter 1	Quarter 2
GROSS PROFIT		
Revenues	0	147,382
- Rebates	0	0
- Cost of Goods Sold	0	69,609
= Gross Profit	0	77,773
EXPENSES		
Store Leases	0	72,000
+ Sales and Service Personnel Expense	0	34,780
+ Ad Creation/Revision	0	6,000
+ Advertising Expenses	0	13,579
+ Internet Marketing Expenses	0	0
+ Engineering Cost for New Brands	0	30,000
= Operating Expenses	0	156,359
Operating Profit	0	-78,586
MISCELLANEOUS INCOME AND EXPENSES		
+ Other Income	0	0
- Other Expenses	0	0
= Net Profit for Division	0	-78,586
Cumulative Net Profit for Division	0	-78,586

Next Steps: Improve Financial Performance



Strategic Priorities:

1. Increase sales volume within Speed segment
2. Improve marketing effectiveness toward 80+
3. Evaluate advertising optimization
4. Maintain premium positioning while controlling operating expenses

Goal:

Move Financial Performance from -1.965 toward positive territory while maintaining 45% Speed share.



Team Contributions

Lokesh Addagiri

- Sales Channel Strategy + Distribution
- Financial Analysis
- Slide Deck Structure
- Next Steps

Chirag Daas

- Brand Design
- Promotion Strategy + Ad
- Competitive Analysis
- Differentiation

All decisions made collaboratively*