

Prioritise potential markets for expanding channel distribution



We market lubricants for four wheelers. We want to expand dealer distribution and want to identify potential markets both urban and rural.

DATA REQUIRED FROM THE GUIDE

- Market Intensity Index MII - Volume I
- Contribution of car ownership to MPV - Volume I
- Contribution from Market Support to MPV - Volume I

SOLUTION

Given that the potential markets should include both rural and urban markets, it is relevant to use details from Volume I of the Guide. The variables that are relevant are the quality of the district, ownership of car and market support of the districts.

As an illustration we consider the state of Rajasthan to identify potential markets for dealer expansion as given in table below. The last column of the table indicates the manner by which we can prioritise markets.

State rank by MPV	District	Grade	MII	Contribution to MPV		Analysis
				Car	Mkt. Supp.	
				1	2	
6	Udaipur	B	74.62	1.48	6.10	673.60
7	Sikar	B	81.74	0.37	7.12	216.03
8	Kota	B	114.34	1.92	6.14	1349.50
9	Bharatpur	B	82.30	0.39	7.26	233.43
10	Ganganagar	B	94.14	0.64	5.33	320.80
11	Jhunjhunun	B	84.90	0.27	7.57	175.19

Example - Listing next tier districts in order of MPV.

RESULT

It can be seen that Kota emerges the most potential market followed by Udaipur, Ganganagar Bharatpur and Sikar. It is interesting to note that though Kota ranks lower as compared to Udaipur in MPV, it emerges as a higher potential market for lubricants.