



26 February 2015  
Alexandra Kenney  
Emily Mannix

MK 565 Cases in Strategic Marketing  
11000296  
14230114



Thecasesolution.com



26 February 2015  
Alexandra Kenney  
Emily Mannix

MK 565 Cases in Strategic Marketing  
11000296  
14230114



Thecasesolution.com



26 February 2015

Alexandra Kenney

Emily Mannix

MK 565 Cases in Strategic Marketing

11000296

14230114

*Problem Definition*

- Managers nervous about Xiameter's sustainability in changing market
- Eroding first-mover advantage
- Emergence of new competitors who

...ing in emerging markets

g first-mover advantage

ence of new competitors who  
d a wider range of products and  
ed service solutions through online  
g systems

.N

- Significa
- Appointe  
stagnati
- Trend  
overserv
- Identifie

# *Company Overview*

s

Strat

# *Dow Corning*

- Dow Chemical Company + Corning Glassworks  
= Dow Corning in 1943
- 40% market share in 2006
- Silicone-based products with applications in construction, aerospace, etc.
- Reputation for strong service solutions and commitment to innovation
- Originally organized into 6 Industries and 4 corporate functions

# *New Segmentation Scheme*

- Significant changes in market in 1990
- Appointed task forces after 5th year of stagnating performance in 2001
- Trend towards commoditization and overserving customers
- Identified 4 new needs-based segments

1. Innovative Solutions
2. Proven Solutions
3. Cost-effective Solutions
4. Price Seekers

1. Innovative Solutions
2. Proven Solutions
3. Cost-effective Solutions
4. Price Seekers

## *Xiameter*

- Launched in 2002 to better serve Price Seekers segment
- Low-price, "no-frills" offering through online ordering interface
- Significant cost savings through light organization allow for lower prices with an acceptable margin
- Highly successful from 2002 - 2005