

COMPETITIVE MARKET ANALYSIS

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Overview

GRX Drivetrain Components is a bicycle component manufacturer based in Marin County, California, which specializes in drivetrain components for mountain bikes. The company plans to launch its newest 13-speed groupset in the market, in the first quarter of next year. This competitive market analysis will look at the current trends in the market, and how its new product will fare against other competitors.

Target Market

The company's target market includes mountain bikers who are looking for entry to professional-level bicycle drivetrains, regardless of age and genre.

Market Analysis

There is an increasing trend of using wide-range low geared drivetrain in the mountain biking community. **Eagle Components** has recently released a 1x13 speed drivetrain this year, which instantly became popular among enthusiasts of different mountain biking genres.

Buyer Persona

Bernard Margera is an 18-year-old enduro riding enthusiast from Arizona. He prefers an affordable, quality, wide-range low geared drivetrain on his bike to easily climb between stages and tackle technical sections on downhill runs.

SWOT Analysis

METRICS	GRX Drivetrain Components	Eagle Components
Strengths	Available in 1x13, 2x13, and 3x13 speeds	Lighter and smoother than most competitors
Weaknesses	Heavy, and cost two-times less than the competing product	Expensive, and available in 1x13 speed only
Opportunities	Increasing usage of mountain bike drive trains on gravel bikes	Increasing usage of mountain bike drive trains on gravel bikes
Threats	Competitors that will be offering 2x13 and 3x13 speed drivetrains in the future	Competitors with similar offers at a more competitive price

Projected Profit & Loss Statement

DESCRIPTION	YEAR 1	YEAR 2
Sales	\$150,000.00	\$200,000.00
Cost of Sales	\$70,000.00	\$90,000.00
Gross Profit	\$80,000.00	\$110,000.00
Total Expenses	\$70,000.00	\$90,000.00
Net Profit (Loss)	\$70,000.00	\$90,000.00

Conclusion & Recommendations

GRX Drivetrain Components caters to mountain bikers who are looking for quality 13-speed drivetrains at an affordable price. It is projected that the company will enjoy \$200,000 in revenue and \$110,000 in profit, in two year’s time. It is recommended that the company invest in technology to make its products lighter, and gain wider patronage from its target market.