

INDUSTRY AND COMPETITIVE ANALYSIS

Throughout the eight years simulated in Mike's Bikes, our firm - Amazing Ride - launched four bikes with intended for two separate target markets: the mountain and youth market segments. In order to ensure our firm's products were successful in the simulated market, our decisions regarding product launch involved researching the desired product specs of each market, and determining a risk-return tradeoff for each design.

After analyzing the road bike segment, our firm decided the forecasted size of this group was too small to support multiple successful firms. This segment also demands extremely high quality bikes, requires carefully placed public relations and distribution funds. Despite the high selling price of road bikes, the risk outweighed the possible returns, and our firm established two bikes in each of the other segments.

DESCRIPTION	PRICE	SALES 2026 (units)	EARNINGS
ADV2 (Mountain Bike)	\$724	27,010	\$13,410,628
ADV3 (Youth Bike)	\$390	29,316	\$7,776,606
ADV4 (Youth Bike)	\$310	45,952	\$5,889,176
ADV5 (Mountain Bike)	\$700	29,562	\$14,171,583

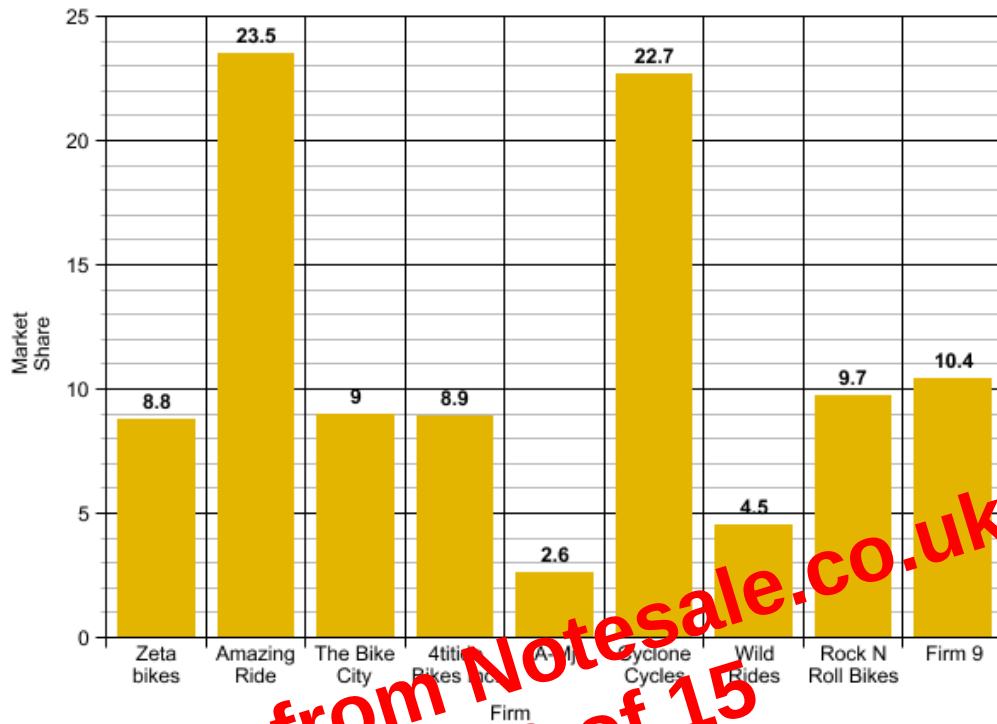
In order to appeal to both the wealthy and price concerned consumers in the mountain bike segment, in 2023 our firm launched a second bike intended for this market, however product specs and cost varied drastically. The mountain segment is fairly responsive to advertising, with the majority of consumers view advertisements through magazines or television. Originally our more expensive mountain bike, Adv2, required additional advertising, quality and product specs, but given the high sensitivity to advertising, by the final rollover our firm dedicated over \$2,000,000 between these media types despite the differences between our two products. Although a higher percentage of consumer's view advertisements through the internet, the difference is only 10%. The television segment requires more funds to have the same reach as magazines, so our firm decided to allocate the same amount, or additional funds to television advertising. However, as this segment is less responsive to public relations, we generally funded magazines higher in this category to maximize our advertisements reach. One of our main focuses for this segment was our distribution channels, as consumers in the mountain segment often require employee assistance or use point of purchase advertising when making decisions. To increase our market share, we provided sports stores with additional funding to not only account for lowering their margins, but also to fund employee training on our product lines and in store advertising costs.

Given the moderate price of these bikes, quality is only a moderate concern for consumers in this market. However, our firm decided to produce high quality bikes, without letting quality factor into the price. By creating high quality bikes with a strong distribution channel, as well as selling for lower than industry average, Amazing Ride was able to reach the highest number of sales for the final year in this segment.

Through careful forecasting which included: determining market share, accounting for additional advertising/PR funding, and competitor products, our firm was able to maintain or exceed our distribution, quality awareness and advertising targets.

APPENDIXES

Market Share in Mountain Segment in 2026



Market Share in Mountain Segment in 2019

