



LUMERIC™ Project Summaries

Project Type:

New Product Evaluation

Sector: Recreational Sport Vehicle

Company Size: \$15B+

Company Position:

New Entrant

Client Level:

General Manager, Divisional

The Critical Decision:

Would a newly developed recreational sport vehicle with unique technology provide the opportunity to enter and consolidate a fragmented market niche dominated by local and regional manufacturers?

The Answer:

No. Although potential customers showed significant interest in the product concept, they were unwilling to pay a premium for access to the technology making the endeavor fall short of return expectations.

The Discussion:

The client was a global leader in the manufacturer of motorsport vehicles and was looking to extend its well recognized brand into a market niche long dominated by smaller, mom and pop type operations. To this extent, the company had developed a vehicle concept designed to address major perceived shortcomings in the vehicles sourced by consumers from current suppliers. Lumeric was retained to access the addressable market, determine the overall level of interest in and demand for the vehicle and to identify viable price points.

The research program involved a mix of in-depth primary interviews with current and prospective drivers of these vehicles along with a detailed analysis of market demographics and trends from secondary sources. Lumeric used this information to size the market and develop a series of market penetration scenarios for the client at different price points. The overall determination was that the vehicle program would fall far short of return expectations at pricing levels that would deliver measurable market penetration as most prospective buyers were not willing to pay a premium to adopt this new technology. 