

## **CASE SIX**

### **Jason Electronics: Reaching Out to Buyers**

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#### **Case Objectives**

- This case allows opportunities for students to apply concepts in competitive analysis, company analysis and strategic evaluation, market and industry analysis, and company performance and service evaluation.

#### **Case Synopsis**

- Jason Electronics started out as a sole proprietor in 1976 and later became a private company. It is now under the arms of Jason Group of Companies which has investments in marine electronics, properties holdings as well as automation. Jason Electronics act mainly as a distributor for suppliers of marine electronics products from Europe, US and Asia. The company also carries out servicing of marine electronics equipment.
- Three main sectors in the marine industry are fisheries, oil and gas business and shipbuilding. Three main sets of players are manufacturers cum distributors, manufacturers and distributors. Jason Electronics currently plays the role of the third group while the second group acts as its suppliers.
- Jason Electronics carried out a survey in 2004 among 35 customers to examine its performance. The most important areas for customers are: (a) timeliness of maintenance service's completion, and (b) timeliness of product delivery and installation. The least important areas are: (a) availability of spare parts, (b) availability of products and (c) politeness. Customers placed the highest importance on the service of engineers, followed by sales representatives and customer service personnel.
- Jason Electronics performed best in (a) helpfulness of sales representatives, (b) reliability of engineer's service and (c) ease of contacting relevant department. The company performed least well in (a) range of products and (b) availability of spare parts.

## Case Questions and Answers

### *Question 1*

*Examine Jason Electronics' key competitors. Who are these competitors and what are their strengths and weaknesses? What are the major threats posed by them?*

- One set of key competitors are manufacturers cum distributors. This group is a threat as they have their own products to sell and know the technical area intimately. They tend to be large and global in nature and have wide range of products.
- Another set of competitors are the distributors. They represent manufacturers of marine electronics products in selling and servicing on their behalf. This group competes with one another for well known suppliers and customers. Jason Electronics belong to this group. The key threats are aggressive sales efforts to get more customers and use of price cuts to get projects. The development of close customer relationships and loyalty as well as reputation and brand profile are ways to counter these competitive threats.

### *Question 2*

*Evaluate the strategies and operations of Jason Electronics. What are its strengths and weaknesses?*

- Jason is a relatively small company with simple organizational structure. As such, it is flexible and can adapt to changes quickly.
- It has extensive product range and services and is able to provide turnkey solutions. It represents some well known suppliers and can offer quality products. The company has obtained the relevant industry quality certification.
- It has formed close relationships with customers through emails, phone calls, faxes and personal visits. It has also maintained detailed customer records of service history and contact information. The company has invested money in training and developing its people to provide excellent services to customers.
- The only setback is the size of the company. Even though the company has operations in many countries such as China, Indonesia and Thailand, in some locations, the company cannot afford to have a direct presence but has to depend on agents and representatives. These partners may not be totally committed and perform their tasks satisfactorily.

### *Question 3*

*Examine the market and industry. What are the major trends and developments? What*

*are the major opportunities in the market? What are the key success factors of this market?*

- Due to growth in production and global trade, volume of goods transported by sea has increased and there are huge opportunities in this industry. Competition, however, is keen resulting in price cuts and erosion in margins.
- One sector is fishing and seafood production. Asia is a major producer of seafood and fishing operations in many countries have been upgraded and modernized. There are lots of opportunities to serve this group of customers in their improvement efforts.
- Another sector is oil and gas. Exploration activities in Asia, particularly in China, have intensified and this provides opportunities to serve their equipment and servicing needs. Transportation of oil and gas cargo from source to the refineries and then to users also presents huge opportunities.
- The last sector is shipbuilding. Shipbuilders have received many orders and many shipyards have full capacity over the next five to seven years. Every new ship needs new equipment and navigational equipment installation, and this presents Jason with huge opportunities.

#### *Question 4*

*Examine the survey research and its results. Is the research methodology appropriate? How can it be improved? How can we interpret the survey results? What actions should Jason Electronics take?*

- The survey managed to get 35 responses which is considered good as Jason's customer database is quite small. There could be response bias as two groups may most likely put in efforts to complete the survey – those who are extremely happy and those who are extremely unhappy. Jason has to weigh the benefits of attempt to get higher responses or even doing a census with the resources needed to do it.
- The scales used are appropriate. Some items have overlaps or are repetitive. The company may want to consider simplifying the survey to make it shorter which may improve response rates.
- Analysis of the results can be carried out by assessing importance ratings and performance ratings in a two-dimensional graph. The diagonal shows points where importance ratings and performance ratings are equal. When importance ratings are low (1 to 3) but performance ratings are high (3 to 5), then it is an overkill because we are performing well in areas where customers don't really care and it may indicate investments of resources in the wrong areas.

- If importance ratings are high (3 to 5) and our performance ratings are weak (1 to 3), then it may indicate serious problem areas since in areas where customers really care about, we are not doing well and not delivering. Such areas need attention from management.
- In the illustrative analysis of three areas carried out in the figure below, any areas above the diagonal need attention since they indicate scores where performance ratings are lower than importance ratings. Points below the diagonal are okay since performance ratings are higher than importance ratings. Quality of products (or its perceptions) needs attention since customers rated its importance as 4.00 but our performance score is 3.74. This analysis can be carried out for all the items in Appendix B of the case.

		Importance Rating				
		1	2	3	4	5
Performance Ratings	1				<b>NEED ATTENTION</b>	
	2					
	3					
	4			3	2	
	5		<b>OVER KILL</b>		1	

- 1 = Reputation
- 2 = Quality of Products
- 3 = Availability of Products .....

- Overall, many items need attention since performance ratings are lagging behind importance ratings. Those that need serious attention are (a) costs of products, (b) timeliness of maintenance service's completion and (c) timeliness of product delivery and installation.