

Agarwal Packers and Movers: Competing for "Moving" Experiences

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In December 2014, the chairman of Agarwal Packers and Movers Limited (APML) prepared for a meeting with his senior management team. APML was a family-managed business and the largest branded player in the fragmented and largely unorganized house-movers segment of the Indian logistics industry. The company was taking advantage of the Indian economy's growth, government infrastructure spending, and goods and services tax changes that would bring beneficial changes to the industry. While the company had achieved sales of US\$62.6 million in 2013/14 and had been lauded for its safety practices and achievements, the industry had low barriers to entry. APML was faced with several large, and numerous small, moving companies that were fighting for business. Moreover, many small companies fraudulently co-opted the company's name to steal customers. APML's chief financial officer had put forth a proposal to increase prices for inter-city relocations. The chairman had to consider the proper price strategy to employ, because any price increase could cost the company customers.

Learning Objective:

The case is suitable for use in MBA/EMBA and other graduate-level management courses, specifically those courses discussing various market structures and demand/supply dynamics. After completion of the case, students will:

- Understand monopolistically competitive market structures and the elements of perfect competition and monopoly power.
- Understand demand/supply dynamics in markets and implications for price as a competitive weapon.
- Understand differentiation strategies as a means of enhancing monopoly power in monopolistically competitive markets.
- Understand the rationale and significance of selling costs in such markets.
- Understand profits in the short and long run in monopolistically competitive markets.