

Strategies to Reduce Product Proliferation Thecasesolutions.com

The business overall competitive theme, the way it positions itself in the marketplace to gain a competitive advantage, and the different positioning strategies that can be used in different industry settings.

Who are our customers? Market segmentation Thecasesolutions.com

It is not one thing that companies do with their customers. It is a whole thinking that the company is going for some what or others. It is going to identify and then to going to identify those needs and desires. The first step to segment is to get according to the differences in customer characteristics, needs and desires.

Strategy in a fragmented industry

Fragmented industries are characterized by a large number of small, independent firms. This structure often leads to intense competition and a focus on local market dominance. Companies in such industries may benefit from strategies that emphasize differentiation and customer loyalty.

Business-level strategy choices

The basic choices are sometimes called generic business-level strategy.

Strategy in mature industries

is dominated by a small number of large companies. It is more mature because these firms have established themselves and understand their market. They have a strong competitive advantage and are looking for ways to improve their industry profitability.

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Business-level strategy, industry and competitive advantage

A well-chosen business-level strategy can give a company a competitive advantage over its competitors. This can be the key to long-term success in a competitive market.

Strategies in declining industries

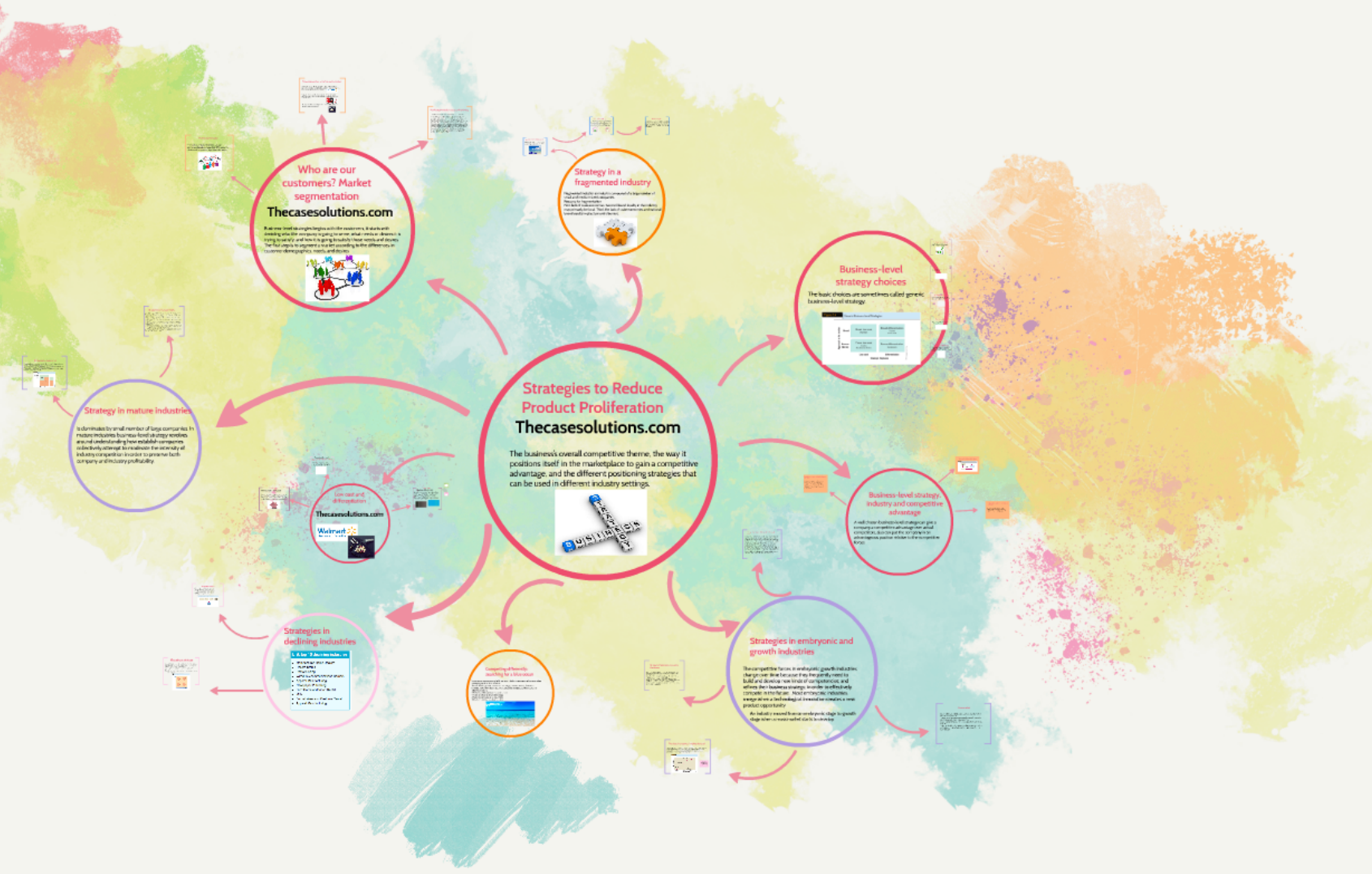
- 1. & 2. Harvesting
- 3. Divestiture
- 4. Liquidation
- 5. Turnaround
- 6. Rejuvenation
- 7. Strategic alliance
- 8. Joint venture
- 9. Acquisition
- 10. Divestiture

Competitive Advantage

Identifying for a business

Strategies in embryonic and growth industries

The competitive forces in embryonic growth industries change rapidly because they are still trying to build and define their market boundaries, and define their business strategies. Companies need to be very flexible and adaptable in these industries.



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Strongly responsive of different markets develop at different rates. Managers must understand that in different markets demand is accelerated customer demand is that is the degree to which a product customer needs than the product complexity products that are more complex and difficult to master. products that are easy to master. degree to which a new product is the current needs or existing value factor is stability the degree to which experiment with a new product.

Low cost and
differentiation

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Lowering costs

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Low costs will enable a company to make a profit at price points where its rivals are losing money. Also, can allow a company to undercut its rivals on price, gain market share and maintain or increase profitability



Differentiation

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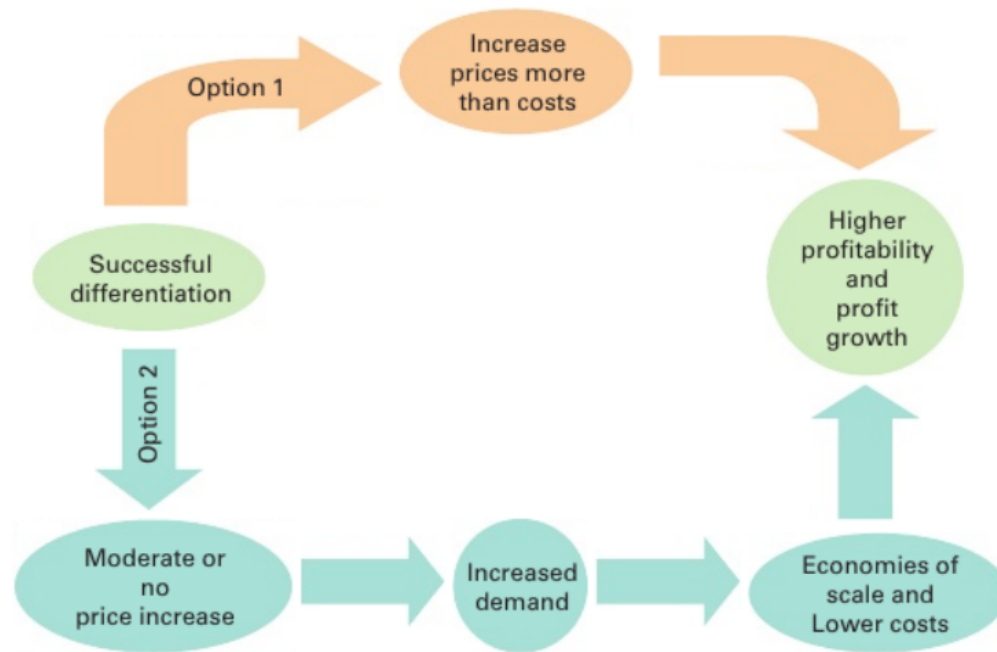
Implies distinguishing yourself from rivals by offering something that they find hard to match. A company can be differentiated by customer service, superior reliability, better design, superior functions and features, better point-of sale service, better after sales service and support, better branding, etc.



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Figure 5.1

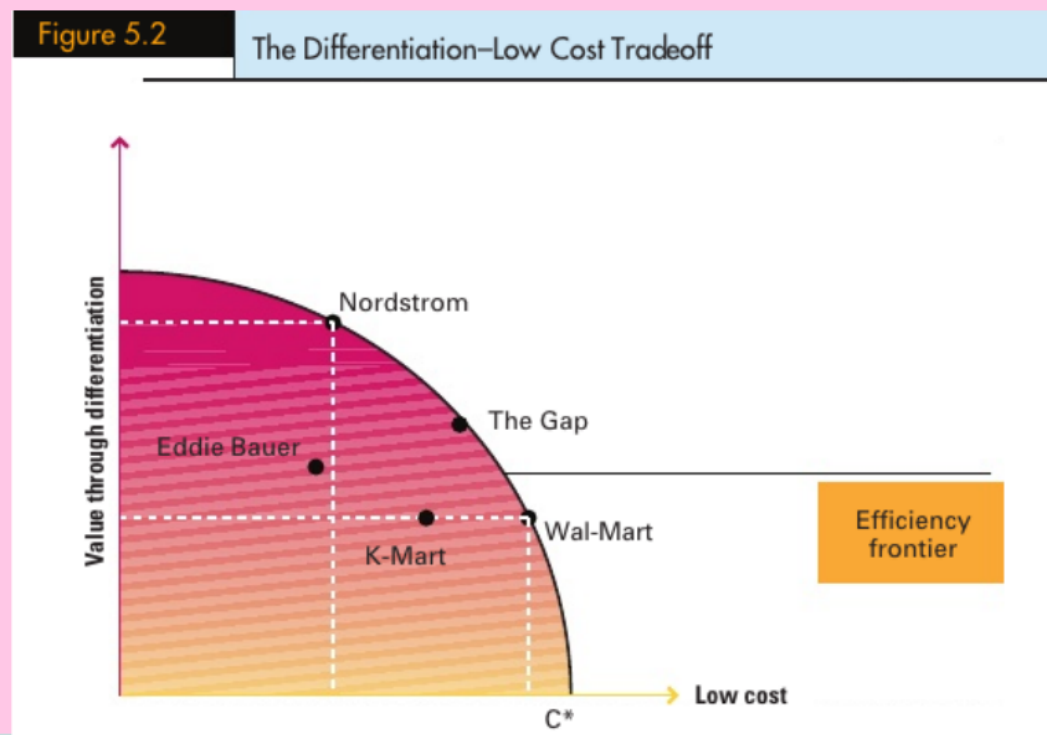
Options for Exploiting Differentiation



The differentiation- low cost tradeoff

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there are often multiple positions on the differentiation- low cost continuum that are viable in the sense that they have enough demand to support an offering. Therefore, to successfully implement a business-level strategy and get to the efficiency frontier, a company must be pursuing the right functional-level strategies, and it must be appropriately organized. Business-level strategies, functional-level strategies, and organizational arrangement must all be aligned with each other

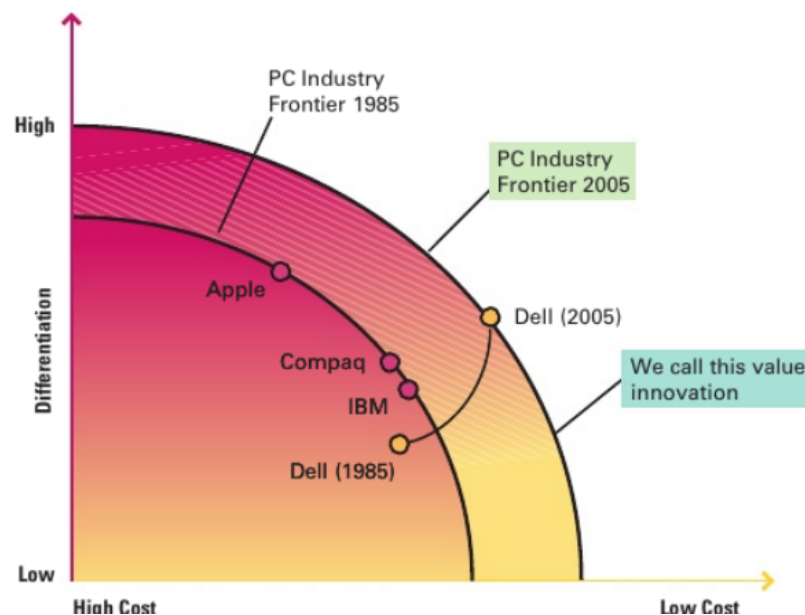


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Value innovation: greater differentiation at a lower cost

Value innovation: when innovation pushes out the efficiency frontier in an industry, allowing for greater value to be offered through superior differentiation at a lower cost than was previously thought possible.

Figure 5.3 Value Innovation in the PC Industry



Who are our customers? Market segmentation

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Business-level strategies begins with the customers, it starts with deciding who the company is going to serve, what needs or desires it is trying to satisfy, and how it is going to satisfy those needs and desires. The first step is to segment a market according to the differences in customer demographics, needs, and desires

