SHREE H.N.SHUKLA COLLEGE OF MANAGEMNENT STUDIES, RAJKOT

STUDY MATERIAL OF MBA SEM-2

SUB: MARKETING MANAGEMNET (4529203)

MODULE-2

CHAP-1 SEGMENTING, TARGETING AND POSITIONING (STP)

Definition of 'Segmentation'

Definition: Segmentation means to divide the marketplace into parts, or segments, which are definable, accessible, actionable, and profitable and have a growth potential.

In other words, a company would find it impossible to target the entire market, because of time, cost and effort restrictions.

It needs to have a 'definable' segment - a mass of people who can be identified and targeted with reasonable effort, cost and time.

The bases of segmentation could be classified into the following four categories:
1. Geographic segmentation
(i.e., region, city size, density of population, and climate)
2. Demographic segmentation
(i.e., age, gender, marital status, income, education, and income)
3. Psychographic segmentation
(i.e., motivation, personality, perception, attitude, and lifestyle)
4. Behavioural segmentation
(i.e., benefit, usage rate, loyalty, and awareness state)

1. Geographic Segmentation:

- Geography as a discipline deals with the surface characteristics of earth including climate, soil, and population.
- Geographic segmentation involves segregating the market into different geographical units.

- The division of land into different continents, regions, and nations, which is further divided into states and cities, is geographical segmentation.
- This method of segmentation is useful when variations in consumers occur with the change of coordinates.
- Geography influences the way people live and behave.
- For instance, markets are likely to be different in extreme cold and hot regions.
- Similarly, differences can be observed in people of North America, Europe, Middle East, and Asia.
- These geographic differences render standardized marketing ineffective.
- For instance, coffee is a common beverage in south of India while tea is more prevalent in north of India.

2. Demographic Segmentation:

- Consumers in a market have different demographic characteristics such as age, gender, income, religion, education, and occupation.
- These characteristics are easy to measure and are therefore most frequently used by marketers.
- One of the reasons for their popularity is that demographic characteristics are closely related to consumer needs, wants, and preferences.
- For instance, income is a powerful predictor of consumer needs and wants. Demographic characteristics are very useful in locating the target market because they can be easily observed.
- It is easier to locate consumers by age or income.

Demographic bases of segmentation are briefly discussed here:

i. Age:

- People in a market can be divided into different age categories.
- Age is taken as a variable to perform segmentation with the assumption that consumer needs vary across age groups.
- For instance, kindergarten, toys, and cartoon channels are directed at kids' age group; while motorcycles and colleges are aimed at youths.

ii. Gender:

- Biological dissimilarity and social conditioning make men different from women. These differences manifest in their varying responsiveness to products and communication appeals.
- Cultural conditioning and social roles also link product categories with specific genders.
- For example- jewellery, dolls, beauty products, home making goods, and hair care products have been conventionally linked with women,
- Where as products such as toy guns, automobiles, hardware, and consumer durables are connected with men.
- Gender-based segmentation easily divides the market to identify what products and services would typically appeal to these groups.

iii. Income:

- It is one of the critical determinants of consumer behaviour. Consumer segmentation based on income categories is useful in gaining insights about what kind of products are likely to be consumed.
- For instance, income's influence on people determines what they use for transportation, that is, whether they use a cycle, moped, motorcycle, economy car, or luxury car.
- For instance, HUL markets three variants of detergent power, namely Wheel, Surf, and Surf Excel that target the economy, middle, and top end of the market respectively.
- Automobile marketers commonly use income-based segmentation to divide their market and sell different variants according to affordability.

3. Psychographic Segmentation:

- In demographic segmentation, consumers are divided in terms of who they are or what their descriptors are (i.e., age, income, gender, geographic location, and occupation).
- Psychographic segmentation banks upon the use of psychological, sociological, and anthropological factors to determine how a market is segmented.
- Psychographic means measurement of psychological characteristics.
- Hence, psychographics is about measurement of inner characteristics of an individual.

- Inner psychological characteristics such as personality, self- image, perception, attitude, and motivation play a role in driving consumer behaviour.

4. Behavioural Segmentation:

This method of segmentation uses consumer behaviour aspects for dividing the market. Consumers differ their ways of usage and faithfulness to a product. Dividing consumers into different groups based on behavioural aspects can help in appreciating their uniqueness and its marketing implications.

i. Usage Quantity:

- Consumers in the market can be divided on the basis of usage quantity. One of the easiest ways to arrive at this division is by breaking the market into light, medium, and heavy users.
- For instance, market differences in usage can be detected in the consumption of cola. Some consumers occasionally drink cola with an average consumption of less than two litres in a month. Medium users group may consume two to four litres, whereas heavy consumers can consume more than five litres. Coca-Cola's bigger pet bottles of one litre are aimed at heavy consumers.

ii. Occasion:

- Marketers do not pre-specify the occasion of consumption of a product. Hence, a product category could be used on various occasions. Market can therefore be segmented on the basis of occasion. For instance, soft drinks can be consumed at different occasions such as quenching thirst while out in the sun, entertaining guests at home, or with dinner.
- Tropicana in its bid to expand consumption targeted morning breakfast with the message 'Now breakfast shall win'. Occasion can also be linked to seasons. For instance, consumer durables, home decor, and wall paint are linked with festival seasons in India. Titan has also promoted watch buying for gifting.

iii. Loyalty:

- Consumers exhibit different levels of allegiance to the brands consumed. Market could also be segmented on the basis of loyalty status. There are buyers who would never move -away from their preferred brand. They are called true or hard loyal. Consumers who do not care about what brand they consume switch from one brand to the other easily.
- This set of consumers is called switchers. Loyalty-based segmentation has gained importance lately because loyal consumers are more profitable. Companies profile their consumers to identify loyalists so that they can be given

preferential treatment. Loyalty cards and reward programmes are tools to gauge and manage loyal consumers.

iv. Benefits Sought:

- Consumers may seek different benefits from a product. These differences provide a logical ground to divide a market on the basis of benefits sought. For instance, two groups of customers in the real estate market are investors and home buyers. Investors buy houses to multiply their investment whereas home buyers buy to live in the dwelling.
- Similarly, some people buy gold and diamonds as jewellery while others buy to invest. Benefit segmentation is clearly visible in the toothpaste market. The segments include seekers of social benefit, protection benefit, and economy benefit.

MEANING OF TARGETING IN MARKETING

Targeting in marketing is a strategy that breaks a large market into smaller segments to concentrate on a specific group of customers within that audience. It defines a segment of customers based on their unique characteristics and focuses solely on serving them.

Instead of trying to reach an entire market, a brand uses target marketing to put their energy into connecting with a specific, defined group within that market.

EFFECTIVE SEGMENTATION CRITERIA

1. Measurable and Obtainable:

The size, profile and other relevant characteristics of the segment must be measurable and obtainable in terms of data.

2. Relevant:

The size and profit potential of a market segment have to be large enough to economically justify separate marketing activities for this segment. If a segment is small in size then the cost of marketing activities cannot be justified.

3. Accessible:

The segment has to be accessible and servable for the organisation. That means, the customer segments may be decided considering that they can be accessed through various target-group specific advertising media such as magazines or websites the target audience likes to use.

4. Substantial:

The segments should be substantial to generate required returns. Activities with small segments will give a biased result or negative results.

5. Valid:

This means the extent to which the base is directly associated with the differences in needs and wants between the different segments. Given that the segmentation is essentially concerned with identifying groups with different needs and wants, it is vital that the segmentation base is meaningful and that different preferences or needs show clear variations in market behaviour and response to individually designed marketing mixes.

6. Unique or Distinguishable or Differentiable:

The market segments have to be that diverse that they show different reactions to different marketing mixes. If not then there would have been no use to break them up in segments.

7. Appropriate:

The segments must be appropriate to the organisation's objectives and resources.

8. Stable:

The segments must be stable so that its behaviour in the future can be predicted with a sufficient degree of confidence.

10. Compatible.

The needs and characteristics of each segment must be similar otherwise the main objective of segmentation will not be served. If within a segment the behaviour of consumers are different and that they react differently, then a unique marketing strategy cannot be implemented for everyone. This will call for a further segmentation.

11. Actionable or Feasible:

It has to be possible to approach each segment with a particular marketing programme and to draw advantages from that. The segments that a company wishes to pursue must be actionable in the sense that there should be sufficient finance, personnel and capability to take them all. Hence, depending upon the reach of the company, the segments must be selected.

EVALUATING AND SELECTING THE MARKET SEGMENTS

- In evaluating different market segments, the firm must look at two factors: the segments overall attractiveness and the company's objectives and resources.
- How well does a potential segment score on the criteria? A potential segment must have characteristics that make it generally attractive, such as size, growth, profitability, scale economies, and low risk.
- Investing in the segment should make sense given the firms objectives, competencies, and resources.

- Some attractive segments may not mesh with the company's long run objectives, or the company may lack one or more necessary competencies to offer superior value.

Single Segment Concentration

- Volkwagen concentrates on the small car market and Porsche on the sports car market.
- Through concentrated marketing, the firm gains a strong knowledge of the segments needs and achieves a strong market presence.
- Furthermore, the firm enjoys operating economies through specializing its production, distribution, and promotion.
- If it captures segment leadership, the firm can earn a high return on its investment.
- If selecting more than one segment to serve, a company should pay cost attention to segment interrelationships on the cost, performance, and technology side.

- A company carrying fixed costs (sales force, store outlets) can add products to absorb and share some costs.

Selective Specialization

- A firm selects a number of segments, each objectively attractive and appropriate.
- There may be little or no synergy among the segments, but each promises to be a money maker.
- This multi-segment strategy has the advantage of diversifying the firms risk.
- When Procter & Gamble launched Crest White strips initial target segments included newly engaged women and brides.

Product Specialization:

- The firm makes a certain product that it sells to several different market segments.

- An example would be a microscope manufacturer who sells to university, government and commercial laboratories.
- The firm makes different microscopes for the different customer groups and builds a strong reputation in the specific product area.
- The downside risk is that the product may be changed by an entirely new technology.

Market Specialization:

- The firm concentrates on serving many needs of a particular customer group. An example would be a firm that sells an assortment of products only to university laboratories.
- The firm gains reputation in serving this customer group and becomes a channel for additional products the customer group can use.

WHAT IS POSITIONING?

Positioning is the act of designing the company's offering and image to occupy a distinctive place in the mind of the target market.

DIFFERENTIATION STRATEGIES

1. **Product.**

2. **Channel.**

3. **Image.**

1. Product Differentiation

- Product form

- Features

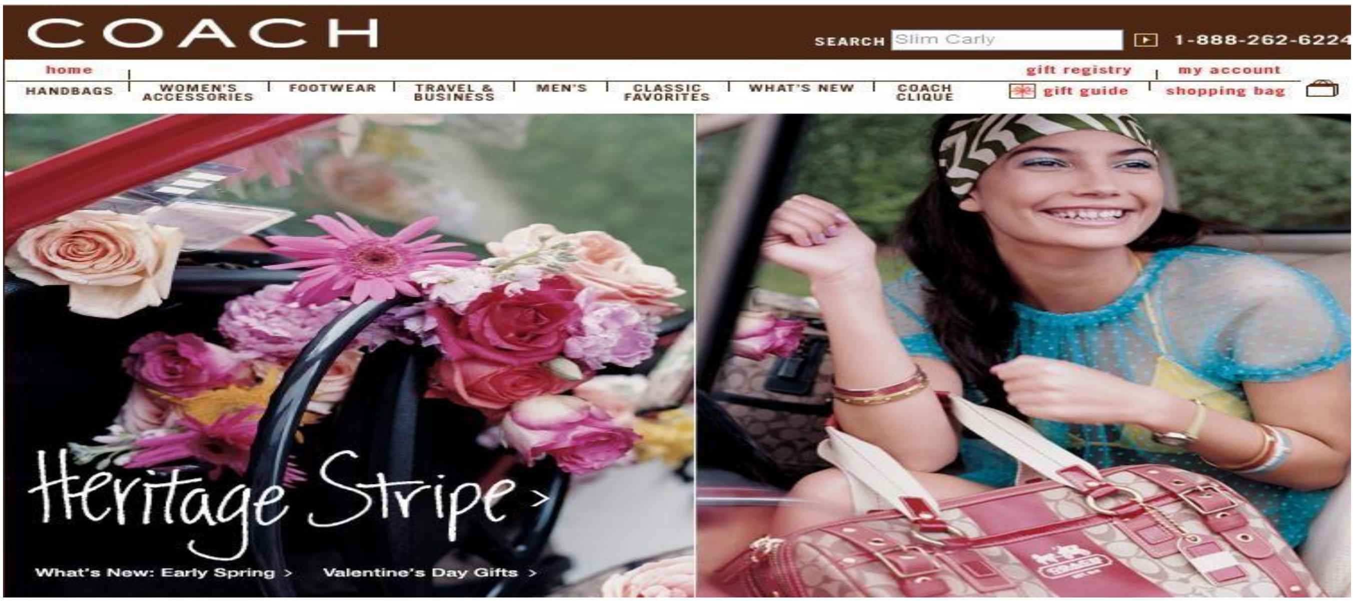
- Performance

- Durability
- Reliability
- Reparability
- Style
- Design
- Ordering ease
- Delivery
- Installation

- Customer training
- Customer consulting
- Maintenance

2. Channel Differentiation

3. Image Differentiation (New York)



ONE WORD QUESTION ANSWE OF MODULE-2 CHAP-1

Sr.No.	Question	Answer
1.	What is Segmentation?	Segmentation means to divide the marketplace into Groups,parts, or segments,
2.	What means to divide the marketplace into Groups,parts, or segments?	Segmentation
3.	What are the Geographic segmentation?	Region, city size, density of population, and climate
4.	Region, city size, density of population, and climate comes inder which sengment?	Geographic segmentation
5.	What are the Demographic segmentation?	Age, gender, marital status, income, education, and income
6.	Age, gender, marital status, income, education, and income comes under which segment?	Demographic segmentation
7.	What are the Psychographic segmentation?	Motivation, personality, perception, attitude, and lifestyle
8.	Motivation, personality, perception, attitude, and lifestyle comes under which segment?	Psychographic segmentation
9.	What are the Behavioural segmentation?	Benefit, usage rate, loyalty, and awareness state.
10.	Benefit, usage rate, loyalty, and awareness state comes under which segmentation?	Behavioural segmentation
11.	Geography influences the way people live and behave: True/False?	True

12.	Which Segmentation influences the way people live and behave?	Geographic segmentation
13.	Which Segmentation is closely related to consumer needs, wants, and preferences?	Demographic Segmentation
14.	Demographic Segmentation is closely related to consumer needs, wants, and preferences:- True/ False	True
15.	Psychographic means what?	Measurement of psychological characteristics
16.	Measurement of psychological characteristics is what?	Psychographic
17.	What is Targeting?	Targeting in marketing is a strategy that breaks a large market into smaller segments to concentrate on a specific group of customers within that audience.
18.	Which marketing strategy breaks a large market into smaller segments to concentrate on a specific group of customers within that audience?	Targeting
19.	The size, profile and other relevant characteristics of the segment must be What?	Measurable and obtainable in terms of data.
20.	The size, profile and other relevant characteristics of the segment must be Measurable	True

	and obtainable in terms of data.: True/False?	
21.	Do Cultural conditioning and social roles also link product categories with specific genders?	Yes
22.	What link product categories with specific genders?	Cultural conditioning and social roles
23.	What is Targeting in marketing?	Targeting in marketing is a strategy that breaks a large market into smaller segments to concentrate on a specific group of customers within that audience.
24.	If a segment is small in size what will happen with it?	Then the cost of marketing activities cannot be justified.
25.	When the cost of marketing activities cannot be justified?	If a segment is small in size
26.	In evaluating different market segments, the firm must look at which factors?	1) The segments overall attractiveness ; 2) The company’s objectives and 3) resources.
27.	A potential segment must have characteristics that make it	True

	generally attractive, such as size, growth, profitability, scale economies, and low risk. True/False?	
28.	How well does a potential segment score on the criteria?	A potential segment must have characteristics that make it generally attractive, such as size, growth, profitability, scale economies, and low risk.
29.	A potential segment must have characteristics that make it generally attractive, such as size, growth, profitability, scale economies, and low risk. True/False?	True
30.	Economies of scope can be just as importance as economies of scale : True/False	True
31.	What is A super segment?	A super segment is a set of segments sharing some exploitable similarity.
32.	Segments Sharing some exploitable similarity called what?	Super segment
33.	What do segments sharing some exploitable similarity called?	Super Segment
34.	WHAT IS POSITIONING?	Positioning is the act of designing the company’s offering and image to

		occupy a distinctive place in the mind of the target market.
35.	Designing the company's offering and image to occupy a distinctive place in the mind of the target market is called what?	POSITIONING
36.	What are the Product Differentiation?	• Product form • Features • Performance • Durability • Reliability • Reparability • Style • Design • Ordering ease • Delivery • Installation • Customer training

		• Customer consulting • Maintenance

CHAP-2 DEALING WITH COMPETITION

TOPIC-1 PRODUCT LIFE-CYCLE MARKETING STRATEGIES

1. Product Life-Cycle Marketing Strategies- introduction stage

- Inform potential customer
- Induce product trial
- Secure distribution in retail outlets

Improve product quality and add new product features and improved styling Add new models

2. Product Life-Cycle Marketing Strategies- growth stage

- Enter new market segments
- Increase distribution coverage and enter new distribution channels
- Shift from product-awareness advertising to product-preference advertising
- Lower prices to attract next layer of price-sensitive buyers

3. Product Life-Cycle Marketing Strategies- maturity stage

- Market Modification
    - Expand number of brand users by:
        1. Converting nonusers
        2. Entering new market segments
        3. Winning competitors' customers

- Convince current users to increase usage by:
    1. Using the product on more occasions
    2. Using more of the product on each occasion
    3. Using the product in new ways

- Marketing Product Modifications

  - Quality improvements
  - Feature improvements
  - Style improvements

4. Product Life-Cycle Marketing Strategies-decline stage

1. Increase firm's investment (to dominate the market and strengthen its competitive position)
2. Maintain the firm's investment level until the uncertainties about the industry are resolved

3. Decrease the firm’s investment level selectively by dropping unprofitable customer groups, while simultaneously strengthening the firm’s investment in lucrative niches
4. Harvesting (“milking”) the firm’s investment to recover cash quickly
5. Divesting the business quickly by disposing of its assets as advantageously as possible.

MAJOR TYPES OF COMPETITORS:

On the basis of market position, market shares, brand image, resources capacities, and domination power (degree of control over others), there are broadly four types of competitors, such as:

1. Market Leaders

2. Market Challengers

3. Market Followers

4. Market Nichers.

Figure 2: Broad Marketing Strategies for Competitors

Every company must formulate different strategies to react with different competitors. Let us analyse relevant marketing strategies for different position holders.

Figure 2 shows broad strategies for different competitors.

Marketing Strategies for Market Leaders:

- ❖ Market leader has the largest market share in the relevant product in the industry.

- It has a dominant position in the market. Obviously, it leads other firms in new product development, price change, distribution coverage, promotional activities, and novel experiments.

- The leader may or may not be respected by other firms, but other firm has to acknowledge its dominance.

- Other firms can challenge, follow or avoid the market leader. In India, well-known market leaders are Maruti Suzuki in cars, Hero Honda in two-wheelers, Hindustan Unilever in consumer packages goods, Coca-Cola in soft-drink, McDonald's in fast food, Life Insurance Corporation in life-insurance, and so forth.

Strategies:

It is hard task to remain the number one in market.

The firm desiring to maintain market- leader position has to adopt one or more of following three major strategies:

1. Expanding Total Market

2. Defending Current Market Share

3. Expanding Market Share

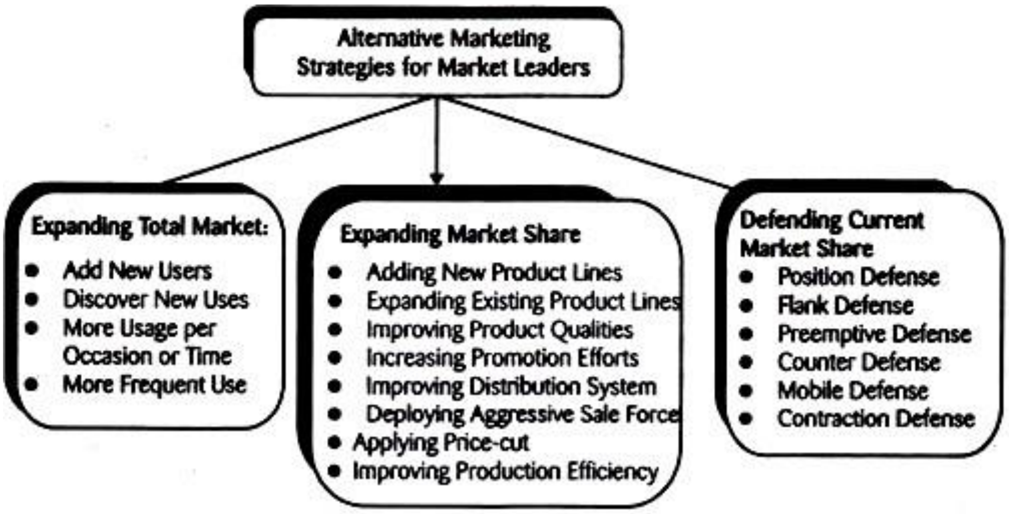


Figure 3: Alternative Strategies for Market Leaders

1. Expanding Total Market:

- ❖ The leader normally gains more when the total market expands. Naturally, when total market or the industry expands, major player will gain more.

- ❖ Total market can be expanded in four different ways:
- ❖ The leader firm must try to add new users. Every product class has potential to attract new buyers

i. Add New Users:

Who are either not aware of the product or are resistant due to high price and lack of desired features.

ii. Discover New Uses:

Another option to expand the total market consists of discovering and promoting new uses of the existing products. The strategy can be applied to industrial products as well as consumer products. A wise firm can get idea regarding new uses of product from customers tactfully.

iii. More Usage per Occasion/Time:

The third strategy to expand the market consists of convincing the present users to use more of the product per use occasion. It is more applicable to edible-class products. Similarly, it can be extended to durable products, too. More usage may be in forms of more quantity, numbers, time, amount, intensity, and so on. A firm has a lot of promotional offers at its command to encourage more usage per occasion.

iv. More Frequent Uses:

Sometimes, a company tries to convince users to use the product more frequently to increase consumption. If a particular product is used once in a day, it can be used twice or thrice in a day.

For example, in case gift articles, it is very common to discover different events when gifts can be offered. Likewise, customers can be convinced to brush the teeth thrice a day or every time after consuming sweets, instead of once in a day, normally, in the morning.

2. Defending (Maintaining) Current Market Share:

This strategy is based on the theme: ‘Customer-retention is more profitable than customer- creation.’ At any cost, the current market share must not be endangered. While expanding total market, a market leader must continuously defend its current market share against rivals’ attacks.

For example, Coca-Cola guards its market share against Pepsi-Cola. Hindustan Unilever protects its share against Procter and Gamble. Maruti Suzuki India tries to protect its market against Tata Motors and Hyundai Motors.

There are six defense strategies:

i. Position Defense:

The most basic defense strategy is to build an impregnable (indestructible, unconquerable, or unbeatable) fortification (protecting fort) around one's territory to keep the opponents away. It involves continuous innovation, diversification, price-cuts, improving distribution, and strengthening promotional efforts.

ii.Flank Defense:

Here, the purpose is to protect weak sides or fronts. Flank defense consists of erecting/setting outposts to protect weak fronts that are vulnerable to be attacked. Such protection attempts serve as invasion base for counterattack, if needed. Quality improvement, introduction of low-price products, aggressive sales force, etc., can make sense.

iii. Preemptive or Preventive Defense:

The basic idea of preemptive defense is to launch the attack before the enemy starts attacking. It is like: To attack the enemy earlier to avoid enemy's attack. Playing the psychological games is very common to discourage competitors' movement.

The company leaks the news by any of the media that it is considering to cut price and/or planning to build another plant. Such news intimidate (threaten) the competitors who decide to cut price or enter the market with the existing or new product.

iv. Counteroffensive Defense:

Counteroffensive indicates responding enemy's attack with a counterattack. The leader cannot remain passive when competitor's attacks in forms of price-cut, product modification, promotion blitz (bombardment), or any time of invasion on its sales territories. Leader firm has to undertake frontal, i.e., head-on attack in case of rapid erosion of market share.

v. Mobile Defense:

Mobile defense – also called shifting defense – is much more than simply protecting the territories. The leader stretches or expands its domain (area) over new territories that can serve as the future centers for offense as well as defense. A leader will deploy its resources in such a way to avoid the future invasion and create an impression in mind of competitors that leader is capable to safeguard its territories.

vi. Contraction Defense:

Sometimes, even large companies can no longer defend all territories. The best strategy in this situation is a planned contraction, i.e., strategic withdrawal. Planned contraction doesn't mean market abandonment (fleeing from the market), but rather giving up weaker territories and concentrating on stronger territories.

3. Expanding Market Share:

Instead of expanding total market and defending current market shares, sometimes, the market leader prefers to improve profitability by increasing market share. The extent to which the increased market share results into improved profitability depends on a lot of variables. Here, company must do something to snatch the market share from the pockets of competitors.

There are several ways to expand market share:

i. Adding New Product Lines:

In order to expand market share, the market leader can add new and diversified product lines to make the product mix comprehensive and attractive. However, there must be adequate demand for new product lines.

ii. Expanding Existing Product Lines:

It is a product line extension strategy. It calls upon expanding current product lines by adding new models, varieties or items with attractive features (colours, sizes, shapes, weights, get-ups, etc.) and superior qualities (durability, taste, usefulness, safety, convenience, status, etc.) This strategy can attract more customers. Research and development department must be active to grab emerging market opportunities.

iii. Improving Product Qualities:

Market share can be increased by improving qualities of current products so that customers expecting better qualities can be attracted.

iv. Increasing Promotion Efforts:

Heavy advertising, aggressive sales force, effective sales promotion, and attractive publicity efforts can help expanding market share faster relative to competitors.

v. Improving Distribution System:

Market share can be expanded via better distribution system. Both direct and indirect channels and overall physical distribution system must be modified so that customers can avail the products with the least difficulties. Similarly, effective distribution system can bring down overall selling costs which can further improve profitability.

vi. Deploying Aggressive Sale Force:

Effective personal selling efforts also have positive impact on sales volume, market share, and profitability as well.

vii. Applying Price-cut:

To attract price-sensitive customers, leader can practice price-cut strategy. This strategy is profitable only when the per cent of sales-rise is more than per cent of price-cut.

viii. Improving Production Efficiency:

A leader must improve production efficiency to reduce overall costs. Due to improved production efficiency, a firm can sell better-quality products even at low price.

2. Marketing Strategies for Market Challengers:

Market challengers are known as runner-up firms. They occupy second, third and lower ranks in an industry. Bajaj Auto in two-wheelers, Tata Motors and Hyundai in cars, Reliance Petro and Essar Oils in refineries, Pepsi-Cola in soft-drink, Procter and Gamble in consumer packaged goods, Vodafone in cellular service providers, Sony and Samsung in cell-phone instruments, etc., are some of the market challengers in India.

Market challengers are capable to attack the leader and other competitors. Sometimes, capable challengers can overtake the leader, too. Let us examine three-

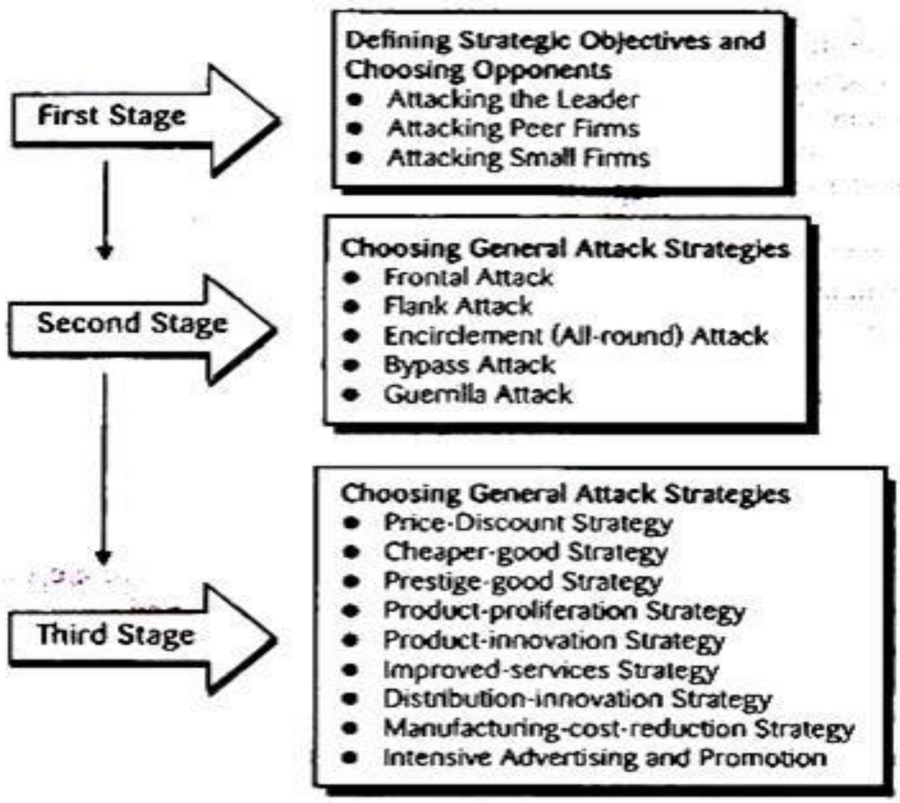


Figure 4: Three-stage Marketing Strategies for Market Challengers

staged marketing strategies available to market challengers. Figure 4 shows the market challengers’ three-stage marketing strategies.

Strategies:
The challenger can exercise following strategies:

1. Defining Strategic Objectives and Opponents:

First of all, a market challenger firm must define its strategic objectives. Normally, most of market challengers’ strategic objective is to increase market share. Then, the challenger has to decide on the opponents to attack. Like market leaders, the challengers cannot fight against all opponents. Therefore, a challenger firm has to select the specific opponent to attack.

A market challenger can attack any of the following opponents:

i. Attacking the market leader.

ii. Attacking the firms of its own size that are not doing the job well and are underfinanced.

iii. Attacking the small local and regional firms that are not doing the job well and are underfinanced.

2. Choosing General Attack Strategies:

Once strategic objectives are defined and opponents are selected, the challenger can apply following attacking options:

i. Frontal Attack:

A frontal or “head-on” attack is an aggressive attack strategy. A challenger attacks the opponent’s strengths rather than its weaknesses. The outcomes depend on who has more strengths and endurance. This option is preferred by the firm with greater resources, otherwise it is proved as a suicide mission.

Frontal attack involves attacking opponent's products, advertising and pricing, and lowering production costs with heavy investment, etc. IBM's attack on Microsoft is the best example of frontal attack. This attacking option is widely practices in Banking, insurance, cell-phones, airways, etc.

ii. Flank Attack:

The challenger concentrates on opponent's less-secured, rear-side or weak spots to attack. It is a side-attack rather than a front attack strategy. This option is particularly attractive to an aggressor with less resources than opponents. There are two strategic dimensions of a flank attack – geographical and segmental.

iii. Encirclement (All-round) Attack:

Encirclement attack is a form of all-rounded and comprehensive attack. It involves launching a grand offensive attack on several fronts, so that the opponent must protect its fronts, sides, and rears simultaneously.

iv. Bypass Attack:

It is the most indirect attacking option to harm others. It indicates bypassing (i.e., ignoring or avoiding) the enemy and attacking easier markets to broaden one's resource base. This is the easiest way to face the leader.

There are three approaches:

a. Diversifying into Unrelated Products:

It involves producing and introducing unrelated product to avoid direct confrontation.

b. Diversifying into New Geographical Markets:

It involves launching the products in such areas where competitors are absent.

c. New Technologies to Replace Existing Products:

It involves researching and developing patiently new technologies and launching an attack with superior products.

v. Guerrilla Attack:

This type of warfare contains making small and intermittent (sudden and irregular) attacks on enemy's different territories. A firm may undertake a few major attacks or continuous minor attacks for longer time. It is more preparation for war than war itself.

3. Choosing Specific Attack Strategies or Attacking Tools:

These strategies consist of many specific attack strategies, some of them have been described as under:

i. Price-Discount Strategy:

It consists of offering a comparable product at a lower price. Success of price-discount strategy works successfully if (1) the challenger can convince that products and services are comparable to that of leaders, (2) buyers must be price- sensitive and feel comfortable to buy, and (3) market leader must not cut its price in spite of challenger's attack.

ii. Cheaper-good Strategy:

It consists of offering average or low quality products at much lower price. The strategy works successfully only when there are sufficient number buyers who are interested in the low-priced and low-quality products.

iii. Prestige-good Strategy:

It consists of launching the high quality products and selling them at premium price. This strategy succeeds if specific group of buyers are ready to pay high price for superior quality-prestigious products.

iv. Product-proliferation Strategy:

It consists of attacking leader by launching a large number of product varieties to give buyers more choice.

v. Product-innovation Strategy:

It consists of adopting product innovation to attack leaders' position.

vi. Improved-services Strategy:

It consists of offering the customers new and better services with same products. Such strategy is widely practiced in consumer durables.

vii. Distribution-innovation Strategy:

It consists of attacking leaders by discovering new ways or channels of distribution. A challenger can apply door-to-door selling, online selling, direct selling, opening stores at convenient places, etc., instead of tradition way of distribution.

viii. Manufacturing-cost-reduction Strategy:

It consists of reducing manufacturing costs by more efficient purchasing, lower labour costs, modern production equipment, and improved technology. The market challenger can apply lower cost to aggressive pricing.

ix. Intensive Advertising and Promotion:

It consists attacking the leader by increasing advertising and promotional expenditures. The success of the strategy depends on how far challenger can exhibit superiority over the leader.

3. Marketing Strategies for Market Followers:

The firms prefer to follow leader rather than to challenge are called the followers. They do not face the leader directly. Some followers are capable to challenge but they prefer to follow. However, market followers always react strongly in case of any loss.

In some capital goods industries like steel, cement, chemical, fertilizer, etc., product differentiation is low, service qualities are similar, and price sensitivity is high. They decide to provide similar offers by copying the market leader. But, one must be aware that followership is not always rewarding path to pursue.

They have following strategic options:

1. Counterfeiter or Fraudster:

It is a simple way to follow the leader. The follower who wants to be counterfeiter duplicates the leader's product as well as package and sells it in the market through disrepute distributors. Products are marketed secretly to avoid legal complications.

The product seems exactly similar to original product except basic quality and features. This is common strategy in auto-parts and electronics products. People, knowingly or unknowingly, buy such duplicate products as they are made available at low price.

2. Cloner or Emulator:

The doner clones (emulates) the leader's products, distribution, advertising and other aspects. Here, product and packaging may be identical that of leader, but brand name is slightly different, such as "Colgete" or "Colege" instead of "Colgate" and "Coka-Cola" instead of "Coca-cola." This strategy is widely practiced in computer business also. The cloned products are openly sold in the market due to different brand names.

3. Imitator:

Some followers prefer to imitate/copy some aspects from the leader, but maintain differentiation in terms of packaging, advertising, sales promotion, distribution, pricing, services, and so forth. Customers can easily distinguish imitated product from original one. The leader doesn't care for imitator until imitator attack the leader aggressively. Quite obviously, such products are sold at low price.

4. Adaptor:

Some followers prefer to adapt the leader's products and improve them. They make necessary changes/improvements in the original products and develop little different products. The adapter may choose to sell the products in different markets (country or area) to avoid direct confrontation with the leader. Many Japanese companies have practiced this strategy and developed superior products. Followers can earn more as they do not bear innovation expenses. In the same way, they can conserve advertising and other promotional expenses. However, to be follower of a leader is not always better option to pursue.

4. Marketing Strategies for Market Nichers (Tiny Firms):

A niche is a more narrowly defined small market (limited number of buyers) whose needs are not being well-served by existing sellers. It is a small segment that has distinctive needs and is, mostly, ready to pay high price. Marketers can identify niches by dividing a segment into sub-segments or by dividing a group with a distinctive set of traits.

They may seek a special combination of benefits. Niches (small groups of buyers) are fairly small and normally attract a few competing firms (nichers). A nicher is the small firm serving only small specific groups of customers called as the niches. The firm's marketing efforts to serve the niches successfully is called nichemanship.

Nichers understand their niches' needs so well and minutely that their customers are willing to pay a premium price. They design special products with distinctive features, qualities, uses, and value for special group of limited customers. They have the special skills to serve the niches in a superior fashion and can gain certain economies through specialization.

For example, a footwear company can create niches by designing shoes for different sports (like crickets, hokey, athletes, golf, etc.), and exercises (like cycling, running, jogging, waking, etc). In the same way, niches can be created in hotels, cosmetics, cloths, airways, hospitals, and others. Nichers can gain comparatively high returns. They can achieve high margin while large companies can achieve high volume.

Smaller firms normally avoid competing with larger firms by targeting small markets in which large firms have a little or no interest. Companies with low market shares can be highly profitable through effective niching.

Nichers have to perform three main tasks – creating niches, expanding niches, and protecting niches. They have to remain alert for all the time as they can be invaded any time by the large competitors.

Strategies:
Specialization is the basic idea to serve niches. Nichers can apply specialization on various aspects.

They can practice one or more of following marketing strategies:

1. End-user Specialist:

It is very popular and widely used option to serve niches. The firm prefers to operate one-type of end-use customers, for example, a legal advisory firm can handle only criminal cases, or a fashion designer can work only for a few film stars.

2. Vertical Level Specialist:

The firm can specialize at vertical level of production or distribution, for example, producing only raw-materials for specific companies, only warehousing services, or it may concentrate only on retailing. It can serve only a part of the total process.

3. Customer Size Specialist:

The firm can sell products only to small, medium, or large size customers. For example, a firm can supply one or two components only to large companies.

4. Specific Customer Specialist:

A firm supplies its products only to distinct group of buyers. For example, designing special two-wheeler for handicapped people or serving special foods to people who are suffering from certain diseases like diabetes.

5. Geographic Specialist:

The firm serves customers of only specific region or area of the world, for example, specific need of the people living in the hilly area.

6. Product or Product Line Specialist:

The firm produces or sells only one product or product line, for example, it sells only socks, ties, or tie pins. A small finance company deals with only car loans or personal loans.

7. Event Specialist:

The firm concentrates its efforts only on particular events or occasions like marriage, grand inauguration, birthday, anniversary, or some festivals. It offers goods or services for celebrating the events of target buyers.

MODULE-2 CHAP-3 DEVELOPING PRODUCT STRATEGY

What is a Product?

- A **product** is anything that can be offered to a market to satisfy a want or need, including physical goods, services, experiences, events, persons, places, properties, organizations, information, and ideas.

CHARACTERISTICS OF PRODUCT:

Careful analysis of concept of product essentially reveals following features:

1. Product is one of the elements of marketing mix or programme.

2. Different people perceive it differently. Management, society, and consumers have different expectations.

3. Product includes both good and service.

4. Marketer can actualize its goals by producing, selling, improving, and modifying the product.

5. Product is a base for entire marketing programme.

6. In marketing terminology, product means a complete product that can be sold to consumers. That means branding, labeling, colour, services, etc., constitute the product.

7. Product includes total offers, including main qualities, features, and services.

8. It includes tangible and non-tangible features or benefits.

9. It is a vehicle or medium to offer benefits and satisfaction to consumers.

10. Important lies in services rendered by the product, and not ownership of product. People buy services, and not the physical object.

CLASSIFICATION OF PRODUCTS – MAJOR CLASSIFICATION: CONSUMER PRODUCTS AND INDUSTRIAL PRODUCTS

Products may be classified on the basis of users of the products, the type of consumers who use the product that is:

1. Consumer products, and
2. Industrial products.

1. Consumer Products:
Consumer products are those products that are bought by the final customer for consumption.
Consumer products are of four types:
i. Convenience products,
ii. Shopping products,
iii. Speciality products, and
iv. Unsought products.

i. Convenience Products:

- Convenience Products are usually low priced, easily available products that customer buys frequently, without any planning or search effort and with minimum comparison and buying effort.
- Such products are made available to the customers through widespread distribution channels-through every retail outlets.
- This category includes fast moving consumer goods (FMCG) like soap, toothpaste, detergents, food items like rice, wheat flour, salt, sugar, milk and so on..

ii. Shopping Products:

- Shopping products are high priced (compared to the convenience product), less frequently purchased consumer products and services.

-
- While buying such products or services, consumer spends much time and effort in gathering information about the product and purchases the product after a careful consideration of price, quality, features, style and suitability.
- Such products are distributed through few selected distribution outlet. Examples include television, air conditioners, cars, furniture, hotel and airline services, tourism services.

iii. Speciality Products:

- Speciality Products are high priced branded product and services with unique features and the customers are convinced that this product is superior to all other competing brands with regard to its features, quality and hence are willing to pay a high price for the product.
- These goods are not purchased frequently may be once or twice in lifetime and are distributed through one or few exclusive distribution outlets. The buyers do not compare speciality products.

iv. Unsought Products:

- Unsought product is consumer products that the consumer either does not know about or knows about but does not normally think of buying. In such a situation the marketer undertakes aggressive advertising, personal selling and other marketing effort.
- The product remains unsought until the consumer becomes aware of them through advertising. The price of such product varies. Examples of unsought product are cemetery plots, blood donation to Red Cross, umbilical cord stem cell banking services.

2. Industrial Products:

Industrial Products are purchased by business firms for further processing or for use in conducting a business .The distinction between consumer product and industrial is based on the purpose for which the product is bought. Like a kitchen chimney

purchased by a consumer is a consumer product but a kitchen chimney purchased by a hotel is an industrial product.
Business products include:
i. Material and parts,
ii. Capital items,
iii. Supplies, and
iv. Services.

i. Material and parts – Material and parts include raw material like agricultural products, crude petroleum, iron ore, manufactured materials include iron, yarn, cement, wires and component parts include small motors, tires, and castings.

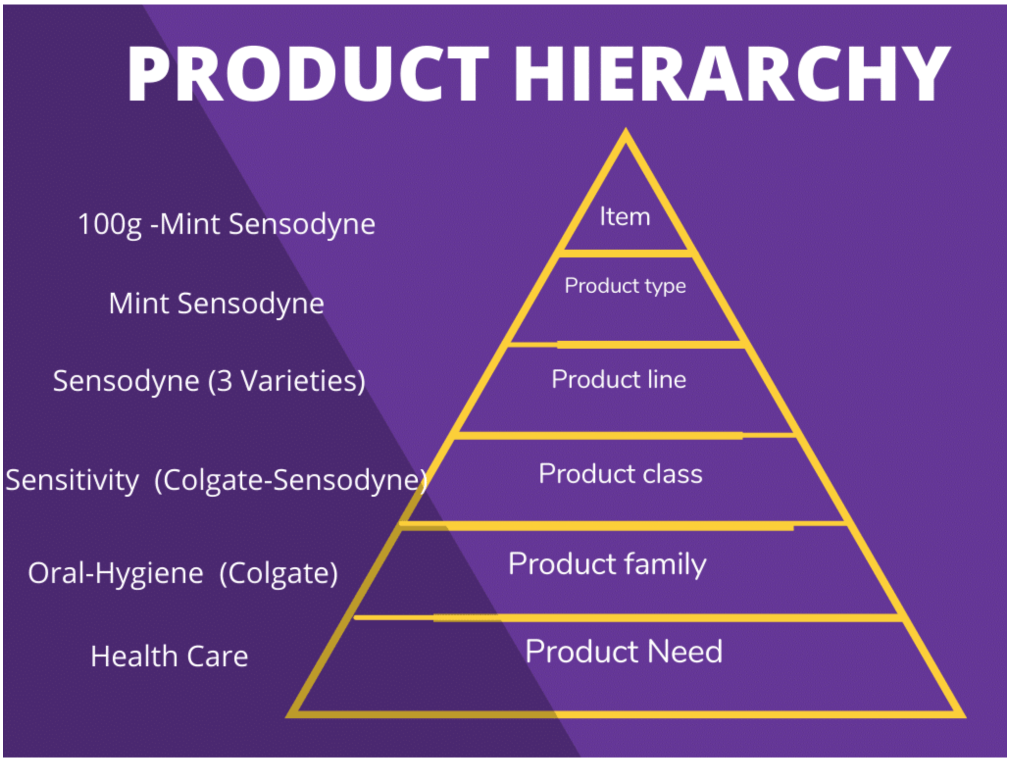
ii. Capital items – Capital items help in production or operation and include installations like factories, offices, fixed equipments like generators, computer systems, elevators and accessory equipments like tools office equipments.

iii. Supplies – Supplies include lubricants, coal, paper, pencils and repair maintenance like paint, nails brooms.

iv. Services – Services include maintenance and repair services like computer repair services, legal services, consultancy services, and advertising services.

PRODUCT HIERARCHY LEVELS:

Product hierarchy is divided into several levels which are best understood using examples. These product hierarchy levels include:



- **Product need** – the product need is the primary reason for the existence of a product. For example, motor vehicles exist because people have to and want to travel. This is the core product need, for example, Toyota vehicles.
- **Product family** – in product family, the core need satisfied by a product is the focus. This means that the attention should not be on the individual market but rather the entire business market. For example, if travelling is the core need, then it can be satisfied by planes, trains or ships. In this particular case, the product family is travel and for Toyota, the product family is vehicles.
- **Product class** – product class occurs when categories are drawn from the same company. It is similar to product family only that product class doesn't go outside

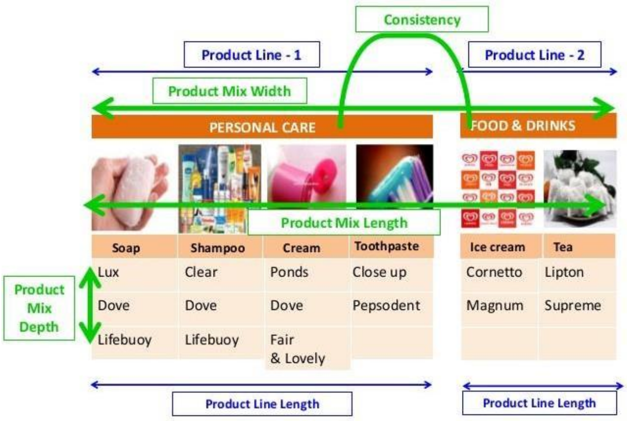
the company, unlike product family. Personal computers constitute an instance of product class.

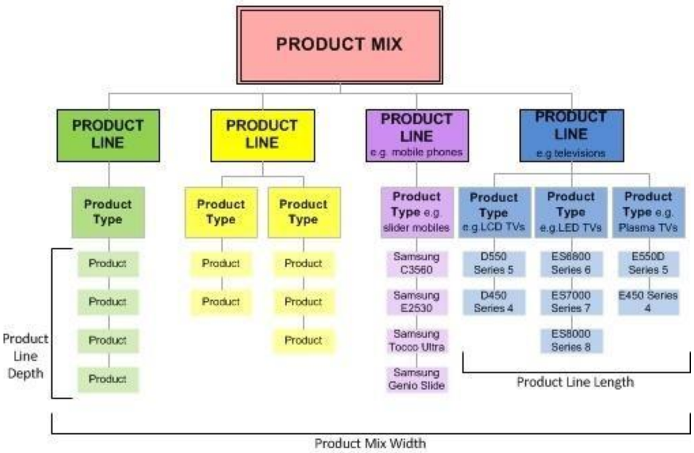
- **Product line** – a product line consists of the entire group of products included in a class of products and these products are related because they perform a comparable function, are purchased by the same group of customers or fall within a certain price range. An example of a product line is a laptop, which is a portable and wireless type of personal computer.

- **Product type** – this refers to the various products within a product line. For example, under Hyundai I20 product line, we have product types such as I20Astana, I20 sportz and I20 Magna.

- **Product unit** – this is also referred to as the stock keeping unit (SKU) and it is a discrete item within a product type of brand that can distinguish itself by size, price or any other feature. A product becomes an individual product unit if it is independent and no other product type is dependent on it.

PRODUCT SYSTEMS & MIXES:





A Product system is a group of diverse but related items that function in a compatible manner. For example, Palm—One handled and smart phone product lines come with attachable headsets, cameras, keyboards, presentation projectors, e-books, MP3 players, and voice recorders. A product mix also called a product assortment is the set of all products and items a particular seller offers for sale.

A product mix consists of various product lines. In General Electric Consumer Appliance Division, there are product-line managers for refrigerators, stoves, and washing machines. NET (Japan) product mix consists of communication products and computer products. Michelin has three product lines: tires, maps, and restaurant-rating services.

At North western University, there are separate academic deans for the medical school, law school, business schools, engineering school, music school, speech school, journalism school, and liberal arts school.

A company's product mix has a certain width, length, depth, and consistency. These concepts are illustrated for selected Procter& Gamble consumer products.

The width of a product mix refers to how many different product lines the company carries.

The depth of a product mix refers to the total number of items in the mix (it is 20). We can also talk about the average length of a line. This is obtained by dividing the

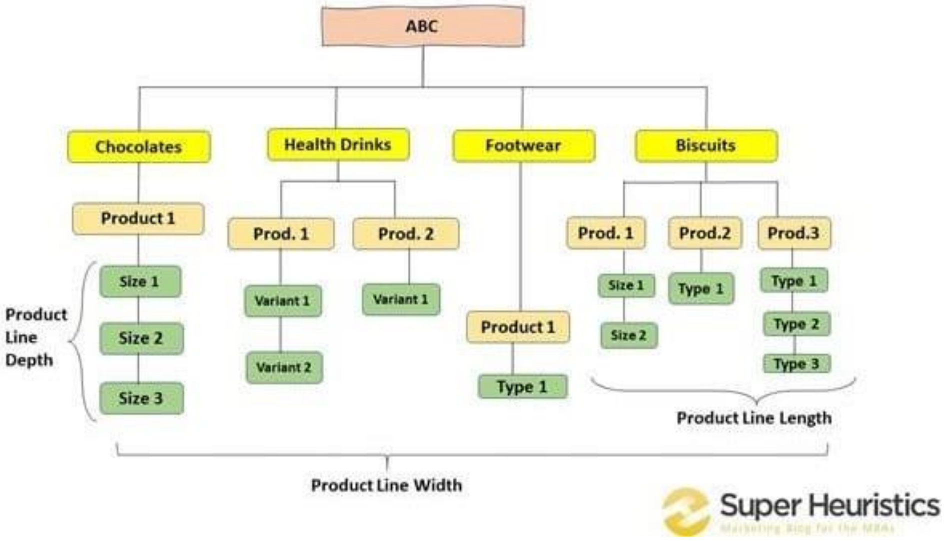
Total length (here 20) by the number of lines (here 5), or an average product length of 4.

The width of a product mix refers to how many variants are offered of each product in the line. If Tide comes in two scents (Mountain spring and Regular), two formulations (liquid and powder), and two or without bleach), Tide has a depth of eight as there are eight distinct variants. The average depth of P&G's product mix can be calculated by averaging the number of variants within the brand groups.

The consistency of the product mix refers how closely to relate the various product lines are in end use, production requirements, distribution channels, or some other way. P&G product lines are consistent insofar as they are consumer goods that go through the same distribution channels. The lines are less consistent insofar as they perform different functions for the buyers.

These four product's mix dimensions permit the company to expand its business in four ways. It can add new product lines, thus widening its product mix. It can lengthen each product line. It can add more product variants to each product and deepen its product mix. Finally, a company can pursue more product-line consistency. To make these products and brand decisions, it is useful to conduct product-line analysis.

PRODUCT LINE DECISIONS NO. 1: PRODUCT LINE LENGTH



- The primary one of the product line decisions is the product line length. This means nothing else than the number of items in a product line.
- Certainly, the product line is too short if the company could increase profits by adding items to it. However, it is too long if profits could be augmented by dropping items.
- In order to find that out, each item in the product line should be assessed on a regular basis in terms of sales and profits. Then, the company can understand how each item contributes to the product line's overall performance and make the right product line decisions.
- The product line length can be influenced by company objectives and resources. For instance, a company might want to maintain longer product lines to protect against economic swings.

PRODUCT LINE DECISIONS NO. 2: EXPANDING THE PRODUCT LINE

o Expanding the product line is the second one of the product line decisions. A company can expand its product line in two ways: Line Filling and Line Stretching.

o Both of these product line decisions involve adding items to the line.

- Line filling means adding more items within the present range of the line. Reasons for doing so include the goals to reach extra profits, to satisfy dealers, to use excess capacity etc.

- However, the company must not exaggerate: new items should be noticeably different from existing ones. Otherwise, customer confusion might be the consequence.

- Line stretching means lengthening the product line beyond the current range. We can differentiate between downward, upward, and 2-way stretching. A company located at the upper end of the market may choose to stretch the product line downward.

- Thus, it may attract low-end customers and reach new targets. Upward stretching is appropriate if the company wants to add prestige to the current product line. Also, better growth rates and higher margins may be the attractive factor for upward stretching.

- To give an example: leading Japanese car manufacturers all introduced an upmarket brand: Honda with Acura, Toyota with Lexus, Nissan with Infiniti.

- For a company in the middle range of the market, stretching the product line in both directions may be best. Thereby, the company can serve both the upper and lower ends of the market.
- Product line decisions, obviously, need to be made carefully. However, the product line is only one element of the much larger product mix. Therefore, product line decisions need to be integrated with product mix decisions.

PACKAGING, LABELING, WARRANTIES, AND GUARANTEES:

Many marketers have called packaging a fifth P, along with price, product, place, and promotion. Most, however, treat packaging and labeling as an element of product strategy. Warranties and guarantees can also be an important part of the product strategy.

1. Packaging

- Packaging includes all the activities of designing and producing the container for a product. Packages might have up to three layers: a primary package inside a secondary package, with one or more packaged units sent in a shipping package.
- Packaging is important because it is the buyer's first encounter with the product. A good package draws the consumer in and encourages product choice. Distinctive packaging like that for Altoids mints is an important part of a brand's equity.

- Packaging must achieve a number of objectives: (1) identify the brand, (2) convey descriptive and persuasive information, (3) facilitate product transportation and protection, (4) assist at-home storage, and (5) aid at-home consumption. Functionally, structural design is crucial. Aesthetic considerations relate to a package's size and shape, material, color, text, and graphics.
- The packaging elements must harmonize with each other and with pricing, advertising, and other parts of the marketing program. Color can define a brand, from Tiffany's blue box to UPS's brown trucks. Packaging updates and redesigns can keep the brand contemporary, relevant, or practical, but they can also have a downside if consumers dislike the new package or confuse it with other brands. Companies must also consider environmental and safety concerns about excess and wasteful packaging.

2. Labeling

- The label can be a simple attached tag or an elaborately designed graphic that is part of the package. A label performs several functions.
- First, it identifies the product or brand—for instance, the name Sunkist stamped on oranges. It might also grade the product; canned peaches are grade-labeled
- A, B, and C. The label might describe the product: who made it, where and when, what it contains, how it is to be used, and how to use it safely. Finally, the label might promote the product through attractive graphics.
- Labels eventually need freshening up. The label on Ivory soap has been redone at least 18 times since the 1890s, with gradual changes in the size and design of the letters. Legal and regulatory requirements must also be considered.

- For example, processed foods must carry nutritional labeling that clearly states the amounts of protein, fat, carbohydrates, and calories as well as vitamin and mineral content as a percentage of the recommended daily allowance.

3. Warranties and Guarantees

- All sellers are legally responsible for fulfilling a buyer's normal or reasonable expectations. Warranties are formal statements of expected product performance by the manufacturer.
- Products under warranty can be returned to the manufacturer or designated repair center for repair, replacement, or refund. Whether expressed or implied, warranties are legally enforceable.
- Guarantees reduce the buyer's perceived risk. They suggest that the product is of high quality and the company and its service performance are dependable. They can be especially helpful when the company or product is not well known or when the product's quality is superior to that of competitors.

37.	Product Life-Cycle Marketing Strategies has how many stages?	Four
38.	Product Life-Cycle Marketing Strategies has Four stages: True/False?	True
39.	What is the first stage of Product Life-Cycle Marketing Strategies?	Introduction Stage
40.	Improve product quality and add new product features and improved styling Add new models comes under which Life Cycle stage?	Growth Stage
41.	What is the second stage of Product Life-Cycle Marketing Strategies?	Growth Stage
42.	Converting nonusers, Entering new market segments, winning competitors' customers comes under which Life cycle of a product?	Maturity stage
43.	What is the third stage of Product Life-Cycle Marketing Strategies?	Maturity stage
44.	What is the last stage of Product Life-Cycle Marketing Strategies?	Decline stage
45.	Inform potential customer, Induce product trial, Secure distribution in retail outlets	Introduction Stage

	comes under which Life cycle of a product?	
46.	Decrease the firm's investment level selectively by dropping unprofitable customer groups, while simultaneously strengthening the firm's investment in lucrative niches comes under which Life cycle of a product?	Decline stage
47.	Increase firm's investment (to dominate the market and strengthen its competitive position) comes under which Life cycle of a product?	Decline stage
48.	Maintain the firm's investment level until the uncertainties about the industry are resolved comes under which Life cycle of a product?	Decline stage
49.	Divesting the business quickly by disposing of its assets as advantageously as possible comes under which Life cycle of a product?	Decline stage
50.	How Marketing Product Modifications can Be done?	By Quality improvements, Feature improvements and Style improvements
51.	By Quality improvements, Feature improvements and Style improvements Marketing Product Modifications can Be done. True/False?	True

52.	What are the major Type of competitors?	1. Market Leaders 2. Market Challengers 3. Market Follower 4.Market Nichers
53.	How types of competitors can be divided?	On the basis of market position, market shares, brand image, resources capacities, and domination power (degree of control over others), there are broadly four types of competitors.
54.	Every company must formulate different strategies to react with different competitors. True/False?	True
55.	Who has the largest market share in the relevant product in the industry?	Market Leader
56.	Market Leader has the largest market share in the relevant product in the industry. True/False?	True
56.	Who has a dominant position in the market?	Market Leader
57.	Market Leader has a dominant position in the market. True/False?	True

58.	What leads other firms in new product development, price change, distribution coverage, promotional activities, and novel experiments?	Market Leaders
59.	In India who are well-known market leaders?	Maruti Suzuki in cars, Hero Honda in two-wheelers, Hindustan Unilever in consumer packages goods, Coca-Cola in soft-drink, McDonald’s in fast food, Life Insurance Corporation in life-insurance, and so forth.
60.	What is Expanding Total Market?	The leader normally gains more when the total market expands. Naturally, when total market or the industry expands, major player will gain more.
61.	What are the three major strategies firms has to adopt desiring to maintain market-leader position ?	1. Expanding Total Market, 2. Defending Current Market

		Share &3. Expanding Market Share.
62.	Total market can be expanded in how many ways?	Four, 1.Add New Users; 2. Discover New Uses; 3.More Usage per Occasion/Time; 4.More Frequent Uses
63..	When A leader normally gains more?	When the total market expands.
64.	Which strategy is based on the theme: 'Customer-retention is more profitable than customer- creation'?	Defending (Maintaining) Current Market Share.
65.	Defending (Maintaining) Current Market Share based on what?	Customer-retention is more profitable than customer-creation.
66.	Six defence strategies is available. True/False?	True
67.	How Many defence strategies is available?	Six
68.	Which strategy involves continuous innovation, diversification, price-cuts, improving distribution, and strengthening promotional efforts?	Position defence

69.	Position defence consist of what?	It involves continuous innovation, diversification, price-cuts, improving distribution, and strengthening promotional efforts.
70.	Which strategy's purpose is to protect weak sides or fronts?	Flank defence
71.	What do Flank defence do?	Protect weak sides or fronts of an Organization.
72.	What is Pre-emptive Defence?	The basic idea of pre-emptive defence is to launch the attack before the enemy starts attacking.
73.	Launching the attack before the enemy starts attack is called what?	Pre-emptive Defence
74.	What is Counteroffensive defence?	Counteroffensive indicates responding enemy's attack with a counterattack.
75.	Responding enemy's attack with a counterattack is called what?	Counteroffensive defence
76.	When the Applying Price-cut strategy is Profitable?	This strategy is profitable only when the per cent of sales-rise is more than per cent of price-cut.

77.	Applying Price-cut strategy is profitable only when the per cent of sales-rise is more than per cent of price-cut. True/False?	True
78.	Due to improved production efficiency, a firm can sell better-quality products even at low price. True/False?	True
79.	How a firm can sell better-quality products even at low price?	Due to improved production efficiency.
80.	Second, third and lower ranks in an industry known as:-	Market challengers or runner-up firms.
81.	What is ‘Market challengers’ or ‘runner-up firms’?	Second, third and lower ranks in an industry.
82.	To attract price-sensitive customers, leader can practice which strategy?	price-cut strategy
83.	Leaders using price-cut strategy is for whom?	For price-sensitive customers.
84.	What is an aggressive attack strategy?	A frontal or “head-on” attack

85.	What is frontal or “head-on” attack?	A challenger attacks the opponent’s strengths rather than its weaknesses.
86.	In Which challenge A challenger attacks the opponent’s strengths rather than its weaknesses?	A frontal or “head-on” attack
87.	The challenger concentrates on opponent’s less-secured, rear-side or weak spots to attack in which attack?	Flank Attack
88.	What is Flank Attack?	The challenger concentrates on opponent’s less-secured, rear-side or weak spots to attack.
89.	What involves launching the products in such areas where competitors are absent?	Diversifying into New Geographical Markets.
90.	What is Diversifying into New Geographical Markets?	Launching the products in such areas where competitors are absent
91.	What is Guerrilla Attack?	This type of warfare contains making small and intermittent (sudden and irregular) attacks on enemy’s different territories.

92.	What type of warfare contains making small and intermittent (sudden and irregular) attacks on enemy's different territories?	Guerrilla Attack
93.	How Success of price-discount strategy successfully works?	If (1)The challenger can convince that products and services are comparable to that of leaders, (2)Buyers must be price- sensitive and feel comfortable to buy, and (3)Market leader must not cut its price in spite of challenger's attack.
94.	What is Cheaper-good Strategy?	Offering average or low quality products at much lower price
95.	Which strategy consists of offering average or low quality products at much lower price?	Cheaper-good Strategy
96.	What is Prestige-good Strategy?	It consists of launching the high quality products and selling them at premium price.

97.	Which strategy consists of launching the high quality products and selling them at premium price.	Prestige-good Strategy
98.	What is Intensive Advertising and Promotion?	It consists attacking the leader by increasing advertising and promotional expenditures.
99.	What consists attacking the leader by increasing advertising and promotional expenditures?	Intensive Advertising and Promotion.
100.	What is Counterfeiter or Fraudster?	The follower who wants to be counterfeiter duplicates the leader’s product as well as package and sells it in the market through disrepute distributors.
101.	The follower who wants to be counterfeiter duplicates the leader’s product as well as package and sells it in the market through disrepute distributors called as :-	Counterfeiter or Fraudster
102.	Nichers have to perform which tasks?	Creating niches, expanding niches, and protecting niches
103	Creating niches, expanding niches, and protecting niches whose tasks are these?	Nichers

104	What is the basic idea to serve niches?	Specialization
105.	What is very popular and widely used option to serve niches?	End-user Specialist
106.	End-user Specialist is very popular and widely used option to serve niches. True/False?	True
107.	The firm prefers to operate which kind of customers.	One-type of end-use customers.
108.	Producing only raw-materials for specific companies, only warehousing services, or it may concentrate only on retailing Is example of what?	Vertical Level Specialist
109.	What is Vertical Level Specialist?	Producing only raw-materials for specific companies, only warehousing services, or it may concentrate only on retailing
110.	The firm can sell products only to small, medium, or large size customers :-	Customer Size Specialist
111.	What is Specific Customer Specialist?	A firm supplies its products only to distinct group of buyers

112.	What is Product or Product Line Specialist?	The firm produces or sells only one product or product line
113.	What is Event Specialist firm?	The firm concentrates its efforts only on particular events or occasions like marriage, grand inauguration, birthday, anniversary, or some festivals.
114.	The firm concentrates its efforts only on particular events or occasions like marriage, grand inauguration, birthday, anniversary, or some festivals is	Event Specialist firm
115.	Which firm produces or sells only one product or product line?	Product or Product Line Specialist