

PRINCIPLES OF MARKETING

AE1018-FC1018-EC1018

Academic year: 2014-2015

TOPIC 6: SETTING GOALS AND MARKETING STRATEGIES

Bibliography:

Vallet, T. (coord.); Estrada, M.; Fandos, J.C.; del Corte, V.; Vallet, I.; Casanova, E.; Vallet, A.; Gallart, V.; Monte, P. (2014): *Fundamentos de Marketing. Col.lecció Materials nº 383, Publicacions de la Universitat Jaume I, Chapter 8.*

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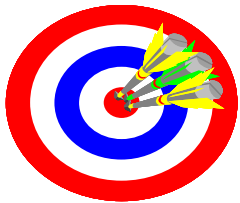
TOPIC 6. SETTING GOALS AND MARKETING STRATEGIES

- 6.1. The mission of the organization and corporate goals**
- 6.2. Marketing goals**
- 6.3. Classification of marketing strategies**
- 6.4. Generic marketing strategies regarding the wanted competitive advantage.**
- 6.5. Competitive strategies in relation to the competitors and in relation to the environment.**
- 6.6. Growth strategies or investment (intensive growth and integration / diversification) and maintenance strategies or divest (maintenance, harvesting and elimination).**



6.1. THE MISSION OF THE ORGANIZATION AND CORPORATE GOALS

6.1.1 The Mission



Limited number of objectives

(Kotler et al, 2000)



Highlight the main policies and values upheld/defended by the company



Define the main competitive fields

- 1. Field of activities (industry)**
- 2. Definition of products and applications**
- 3. Definition of technological competence**
- 4. Definition of target group**
- 5. Definition of vertical integration**
- 6. Definition of geographical area**



6.1. THE MISSION OF THE ORGANIZATION AND CORPORATE GOALS



Company	Definition oriented towards the product	Definition oriented towards the market
Amazon.com	We sell books, videos, CDs, toys, consumer electronics and, other products.	We make the shopping experience online faster, easier and enjoyable. We are the place where you can find and discover anything you want to buy online.
Google	We search the Internet.	We organize the world's information and make it universally accessible and useful.
Disney	We manage theme parks.	We create happiness by offering the best entertainment for people of all ages anywhere.
eBay	We do auction sales online.	We connect buyers and sellers in the global online market, a unique online community where they can buy, have fun and get to know each other.
Nike	We sell sneakers (sport shoes).	We give inspiration and innovation to every athlete in the world: "If you have a body, you are an athlete".
Sony	We sell consumer electronics.	We experience the joy of developing and applying technology for the benefit of mankind.
Danone	We sell food products.	We provide health through nutrition, daily and, to all consumers worldwide.



6.1. THE MISSION OF THE ORGANIZATION AND CORPORATE GOALS



LEVELS OF OBJECTIVES:

LEVEL 1: MISSION

LEVEL 2: CORPORATE OBJECTIVES

GENERAL OR ON A MEDIUM TERM

LEVEL 3: CORPORATE OBJECTIVES

SPECIFIC OR ON A SHORT TERM: QUANTIFIED

LEVEL 4: FUNCTIONAL OBJECTIVES

MARKETING OBJECTIVES: QUANTIFIED



6.1. THE MISSION OF THE ORGANIZATION AND CORPORATE GOALS

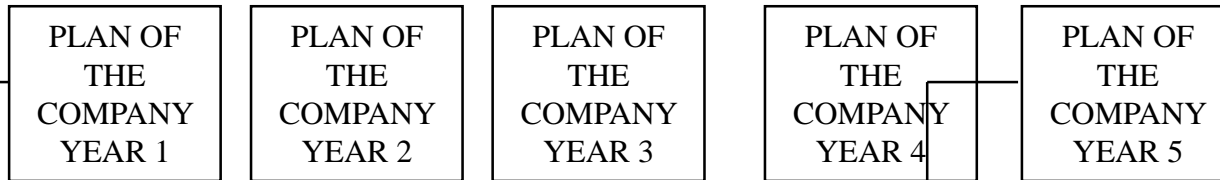
LEVEL 1 MISSION (for the lifetime of a Company)



LEVEL 2 PLAN OF THE COMPANY ON A MEDIUM TERM (5 Years)

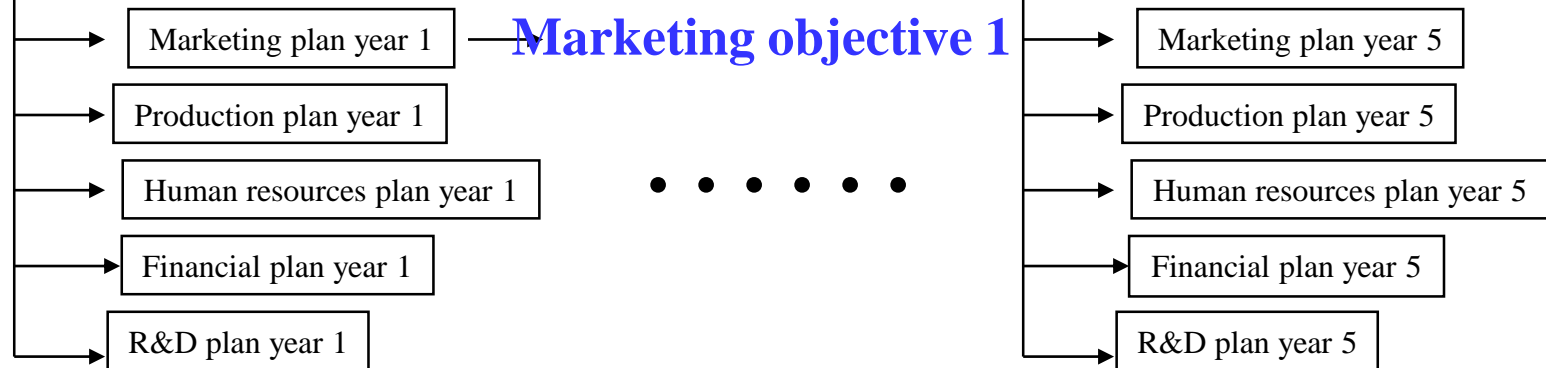
General corporate goals

LEVEL 3



Specific corporate objectives

LEVEL 4



6.1. THE MISSION OF THE ORGANIZATION AND CORPORATE GOALS

6.1.2. The mission and corporate objectives



MISSION

- **Be the financial institution with the best customer service through anticipation and excellence and, creating value for all collectives related to the group: customers, shareholders and employees.**
- **The first not only in size, but also being before the others where it is due.**
- **The best bet for excellence and quality, making things better every day, as only being the best you can remain the top.**

CORPORATE OBJECTIVES

GENERAL

1. **To be the leading bank in Europe**
2. **Provide the best customer service**
3. **Increase business activity in all areas**
4. **Increase presence in the Real Economy and the New Economy**
5. **Having the best team of professionals**
6. **Increase the generation of value for shareholders**

CONCRETE / SPECIFIC

1. **Increase net attributable income**
2. **Increase the margin of exploitation**
3. **Increase efficiency**
4. **Reduce late payment**
5. **Increase coverage**
6. **Increase Return on Equity above 20%**



6.1. THE MISSION OF THE ORGANIZATION AND CORPORATE GOALS

6.1.3. Corporate objectives and marketing objectives

Marketing objectives need to be seen as part of a hierarchy of objectives, in the sense that they are shaped and informed by the corporate objectives.

A corporate objective influences a marketing objective, which in turn shapes the marketing strategies and marketing tactics employed



6.2. MARKETING OBJECTIVES

List 5.1	Requirements in setting marketing objectives (Burk, 2003)
1.	Are the objectives concrete?
2.	Are the objectives clearly defined over time?
3.	Are the objectives quantifiable in a objective way?
4.	Are the objectives realistic?
5.	Are the objectives challenging enough to stimulate to action?
6.	Are the objectives consistent with the general mission of the organization?
7.	Are the objectives consistent with the end purposes of the organization?
8.	Are the objectives consistent with the internal resources and the basic skills inside the organization?
9.	Are the objectives appropriate and achievable, given the opportunities and threats in the environment?



Setting marketing objectives

They should contribute to the general objective and be coordinated with other functional objectives.

1.- OBJECTIVES OF RELATIONS:

CREATE, MAINTAIN AND STRENGTHEN RELATIONS WITH CUSTOMERS, SUPPLIERS, DISTRIBUTORS, ETC.

2.- COMMERCIAL OBJECTIVES:

INCREASE OR MAINTAIN SALES, MARKET SHARE, ANY OBJECTIVE ABOUT THE 4 "Ps": PRODUCT, PRICE, DISTRIBUTION/PLACE AND PROMOTION.

3.- ECONOMIC OBJECTIVES OF MARKETING:

BENEFITS, PROFIT, MARGIN (OF ALL OF THE COMERCIAL ACTIVITIES)

THE REST OF THE OBJECTIVES ARE NOT OF MARKETING



6.2.1. Management Objectives for trade/commercial relations

- **Customer acquisition:** Expand the customer base incorporating 200 new companies during each month of the next year.
- **Customer Retention:** Reduce the annual customer churn rate to 15 percent by the end of next year.
- **Consumer satisfaction:** Achieve a score of 95% or higher on quarterly surveys of consumer satisfaction.
- **Relationships with distribution channels:** Extend the signed distribution agreements with 4 / four supermarket chains next year.
- **Other:** loyalty, recovery, recommendation, repurchase, ...

6.2.2. Management objectives for marketing activities (commercial)

- **Sales:** Sell 2500 units in each of the segments in which the company operates during each month of the next year.
- **Market share:** Achieve a market share of 5% of the market for dairy products later this year.
- **Product development:** Develop and introduce two new products before the end of next year.
- **Order management:** Reduce the time needed to manage on-line order overnight, before next summer.
- **Other:** Reputation, brand recognition, amelioration or elimination of products, rotation ...

6.2.3. Commercial financial objectives (economic)

- **Commercial profitability:** Increase the net profit before tax by 12% at end of the year.
- **ROI on marketing activities:** Achieve a 17% increase in return on funds invested in distribution activities.



6.2. MARKETING OBJECTIVES

EXAMPLES OF MARKETING OBJECTIVES

OBJECTIVES	INDICATORS OF THE LEVEL OF ACHIEVEMENT (ANNUAL GOAL)
Increase of profitability	<ul style="list-style-type: none">• Reduce the costs of sales by 2%.• Increase the margin of product X on market Y by 9%.• Increase by 3% the profitability of the export on market Z.
Increase of the number of satisfied consumers / clients	<ul style="list-style-type: none">• Increase the loyalty form 70% to 80%.• Decrease the number of complaints by 20%.• Increase the level of satisfaction of the consumers from 5,6 to 6 (on a scale od 1 to 7).• Achieve 40% of spontaneous recognition of the brand.• Reduce the time of the response on consumer complaints by / at 10%.• Increase the number of clients for product Y by 8%.• Capture 5% of lost customers.
Increase of sales and market share	<ul style="list-style-type: none">• Launch 2 new products with success.• Enter in 2 new international markets.• Increase the sales of product X on market Z by 10%.• Increase the market share on market Z at 15%.• Increase the market coverage of the national market at 90%.• Achieve 25% of sales to come from products launched in the last five years.

6.2. MARKETING OBJECTIVES



Objective area	Example objectives
Maintaining or increasing market share	<ul style="list-style-type: none"> • Achieve revenue growth of 15% per year for the next four years • Increase our market share in the UK by 4% by 2012
Developing new products / innovation	<ul style="list-style-type: none"> • Launch at least 25 new products into the industrial channel in 2010 and 2011 • Grow average first-year sales of new editions by 25% in the Higher Education sector
Meeting the needs of customers	<ul style="list-style-type: none"> • Achieve at least an 95% excellent customer service rating each month • Increase the proportion of sales bookings from repeat business to 45% for the summer season
Entering a new market / market positioning	<ul style="list-style-type: none"> • Supply a minimum of 50,000 trial downloads per month • Increase the number of customer enquiries from the EU by 10,000 per month • Recruit five suitable distribution agents in the four target countries within 12 months
Gaining an advantage over competitors	<ul style="list-style-type: none"> • Reduce average distribution costs to less than 5% of gross revenue • Reduce the order lead time by 15% • Improve brand recognition amongst the 25-34 age group



6.3. CLASSIFICATION OF MARKETING



STRATEGIES

TYOLOGY

(classification according to general type)

- Combination of variables a priori
- Valid for any sector and any point of time
- Theoretical strategies

TAXONOMY

(classification; systematics)

- Combination of variables a posteriori
- Valid for a moment of time and given sector
- Real strategies



6.3. CLASSIFICATION OF MARKETING



STRATEGIES

STRATEGY

Set of actions aimed at achieving a **competitive advantage**.

A company has a **competitive advantage** when the product or brand has certain attributes or characteristics that give it a certain **superiority** over its immediate competitors. The advantage must be sustainable over time and defensible against the competition.

(Munuera and Rodriguez, 2007)



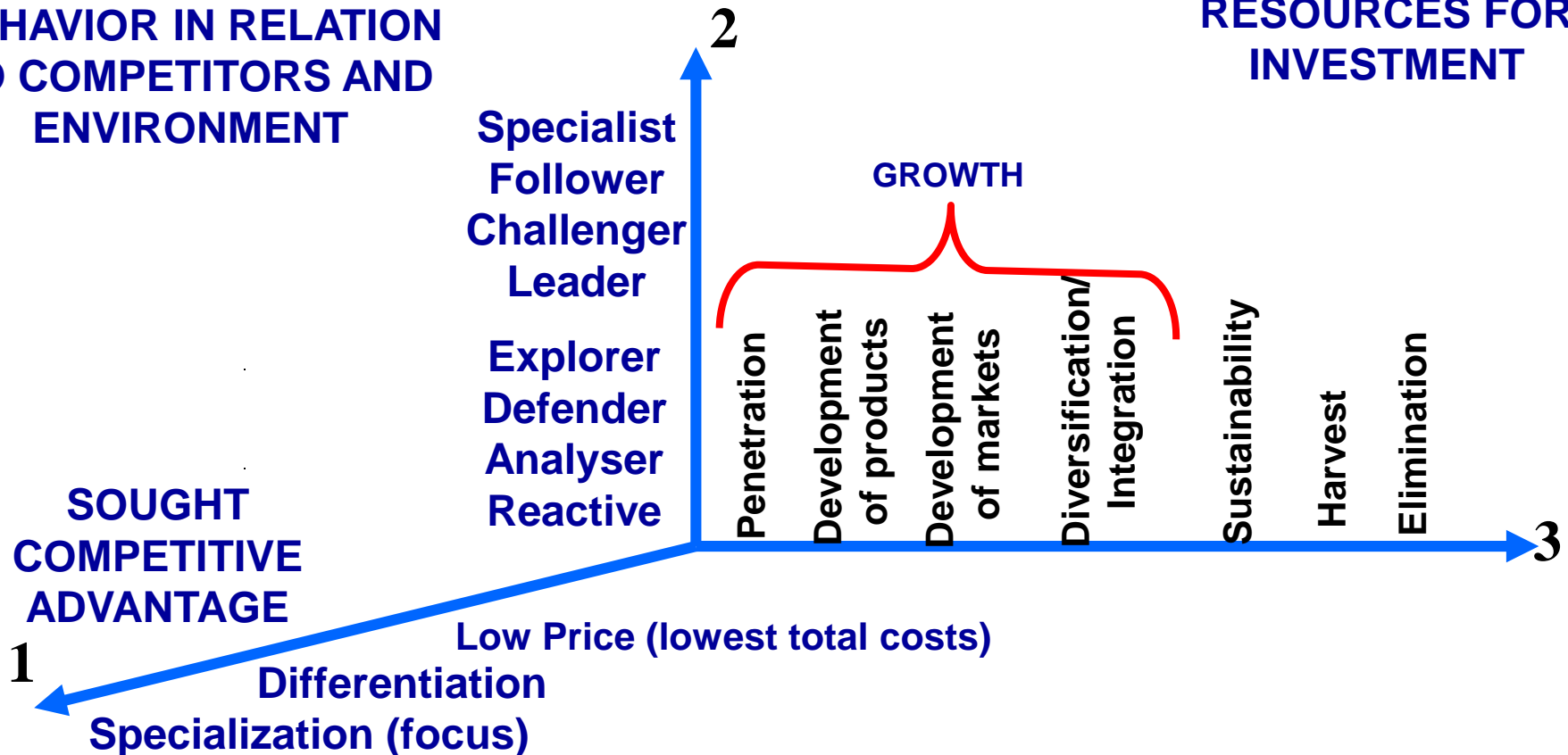
6.3. CLASSIFICATION OF MARKETING STRATEGIES



STRATEGIES

BEHAVIOR IN RELATION TO COMPETITORS AND ENVIRONMENT

RESOURCES FOR INVESTMENT



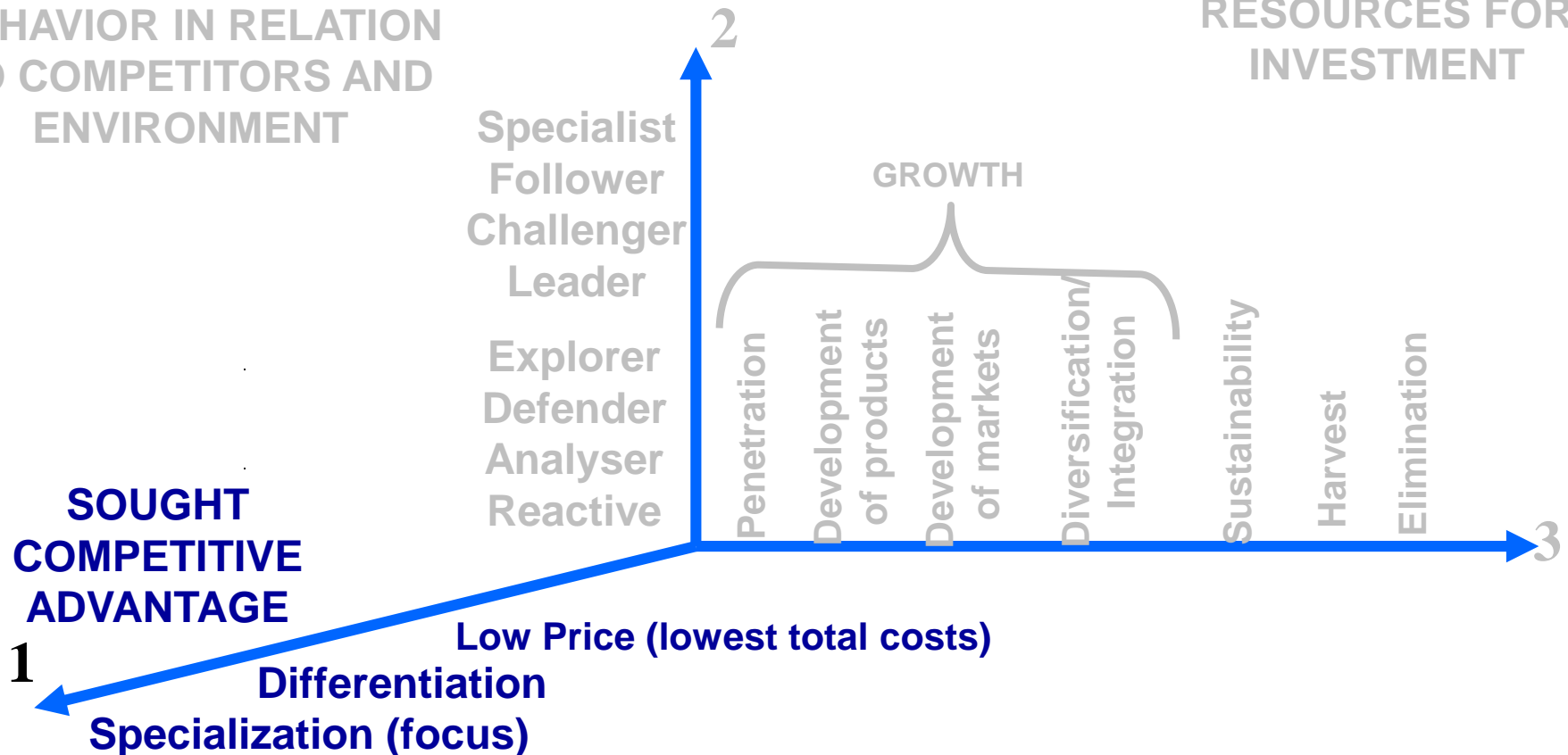
6.3. CLASSIFICATION OF MARKETING STRATEGIES



STRATEGIES

BEHAVIOR IN RELATION TO COMPETITORS AND ENVIRONMENT

RESOURCES FOR INVESTMENT



STRATEGY AND COMPETITIVE ADVANTAGE

Once the competitors have been identified and evaluated, the company must design broad competitive marketing strategies that will enable it to gain **competitive advantage** by offering **superior value** to customers.

There is no single strategy for all companies. Each company must consider and determine what makes most sense regarding its' given **position** in the industry, **characteristics, objectives, opportunities and resources**.

Even within a single company, **different strategies** may be required depending on their business or products.

Many large firms develop **formal** competitive marketing strategies and implement them religiously. However, other companies develop strategy in a **less formal** and orderly fashion.



6.4. GENERIC STRATEGIES

STRATEGY AND COMPETITIVE ADVANTAGE

The competitive strategy is **the way** in which a company faces its competitors and, tries to obtain a performance superior to theirs.

The competitive strategy seeks to identify the **relative position** of the company in its industry to determine their ability to outperform the industry average profitability.

(Navas and Guerras, 2001)

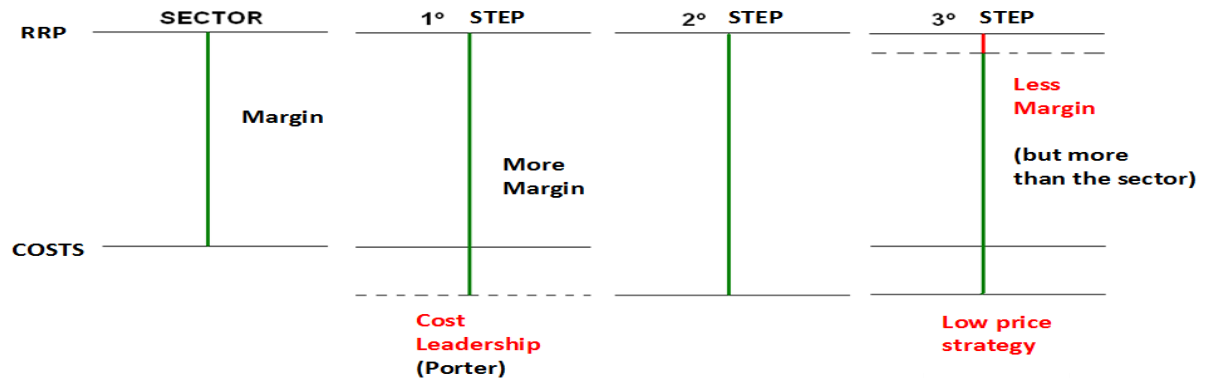


6.4. GENERIC STRATEGIES

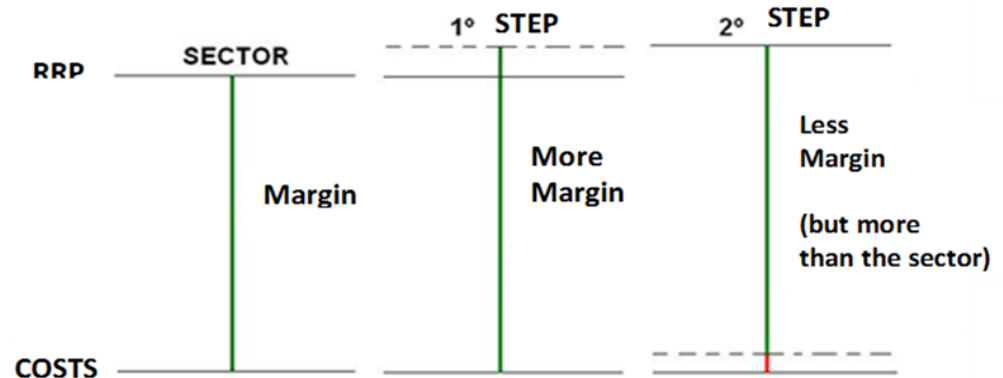
STRATEGY AND COMPETITIVE ADVANTAGE (Munuera and Rodríguez, 2002)

PROFITABILITY: selling price and manufacturing cost

- The unit cost should be lower than the industry average for a *unit price*, per equivalent of unit sold.



- The company should have a higher unit price for a *unit cost* than the industry average, per equivalent of unit sold.

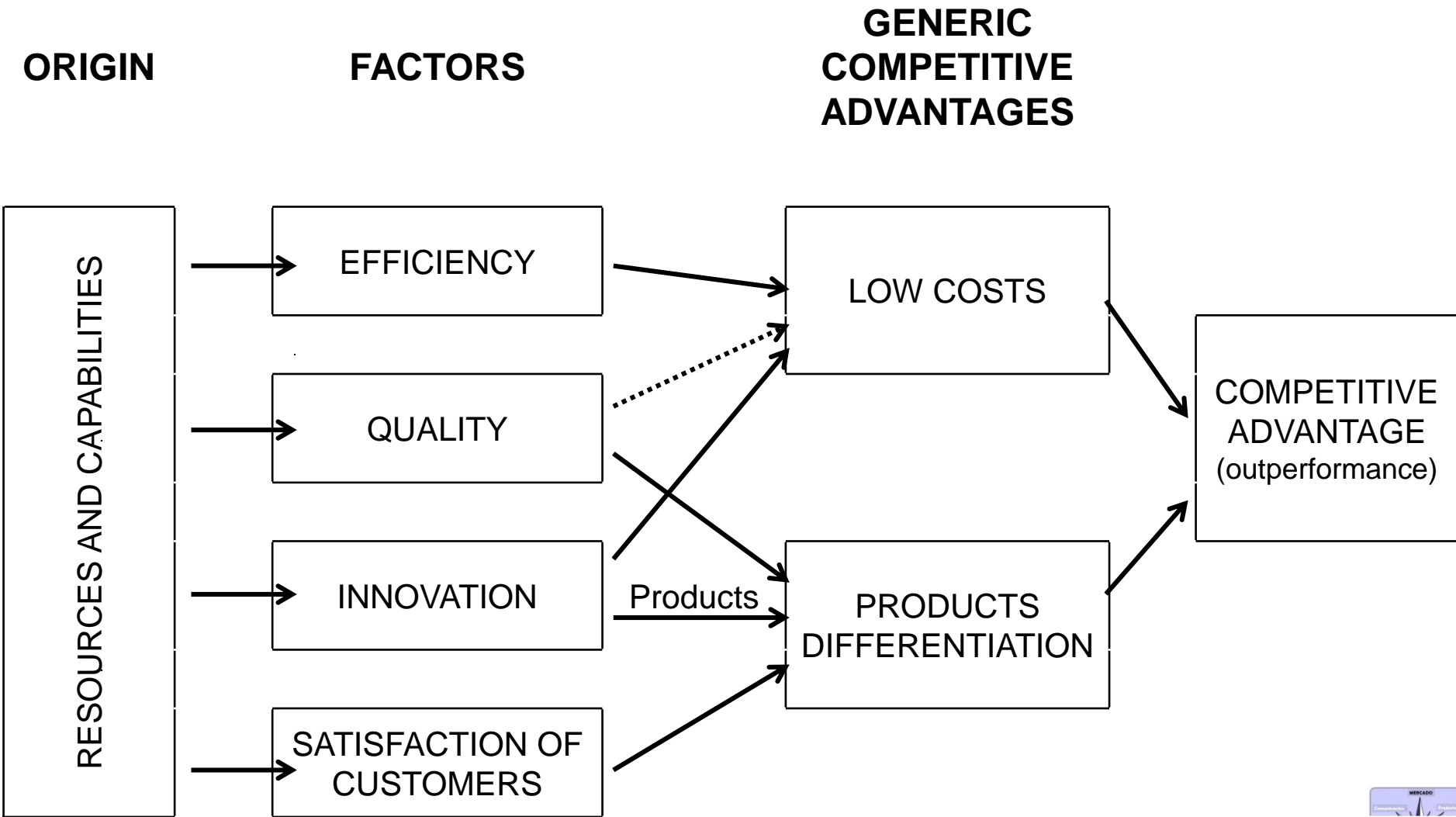


- The company should have lower unit cost and, unit price greater than the industry average.



6.4. GENERIC STRATEGIES

INTERNAL FACTORS FOR CREATION OF COMPETITIVE ADVANTAGE



6.4. GENERIC STRATEGIES

GENERIC COMPETITIVE STRATEGIES: PORTER



Industry

COMPETITIVE FIELD

VARIABLES:

Segment

1.- **COMPETITIVE ADVANTAGE**

2.- **COMPETITIVE FIELD**

COMPETITIVE ADVANTAGE

Costs

Differentiation

<p>Overall cost leadership</p>	<p>Product differentiation</p>
<p>Focus</p>	

(Porter, 1982)

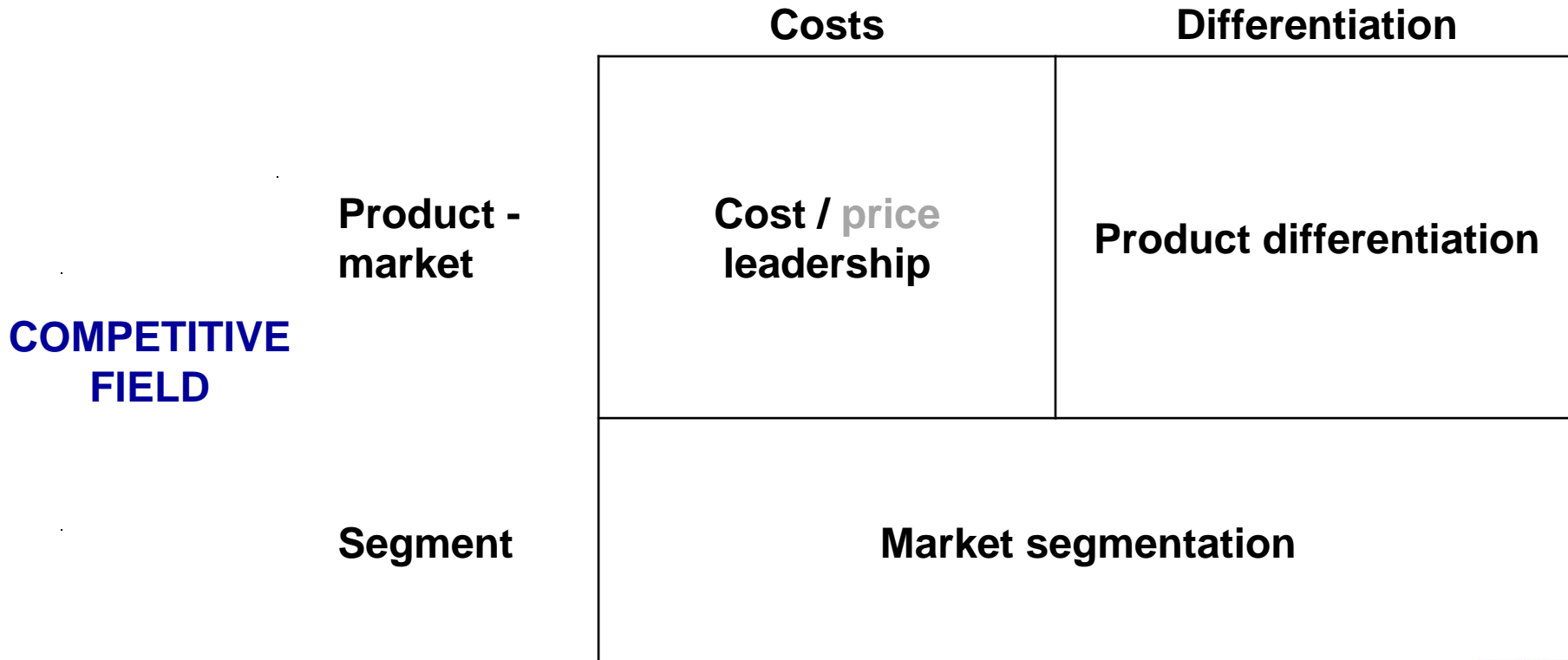
The losing strategy is Middle-of-the-road.



6.4. GENERIC STRATEGIES

GENERAL MARKETING STRATEGIES REGARDING TO COMPETITIVE ADVANTAGE

COMPETITIVE ADVANTAGE



6.4.1. Price / cost leadership strategy

The company reaches lower costs in production and distribution, allowing it to lower their prices and increase their market share.

¿ How?

Experience curves, internal organization, economies of scale and economies of scope.

- a. Basic product
- b. Product design and composition
- c. Control of supplies
- d. Government Assistance
- e. Privileged location
- f. Innovations in production
- g. Purchase of competitors
- h. Reduction in structure
- i. Actions of integration and cooperation

Benefits

- a. Increased profitability
- b. Increased resistance
- c. Greater bargaining power
- d. Entry barriers
- e. Resistance to substitute products



Risks

- a. Competition improves its technology
- b. Myopia (**near-sightedness**)

(Munuera y Rodríguez, 2002)

6.4. GENERIC STRATEGIES

6.4.1. Price / cost leadership strategy

Zara is present in **78 countries** with a network of **1,603 stores** located in **prime locations** of **major cities**. This international presence clearly shows that national frontiers are no impediment to sharing a single fashion culture.

In Zara, design is conceived as a process closely linked to the public. The incessant **information** from their **shops** to a **creative team** of over **200 professionals** conveys customer concerns and demands.



Inditex is one of the leading fashion retailers in the world with eight commercial formats (brands) - **Zara, Pull & Bear, Massimo Dutti, Bershka, Stradivarius, Oysho, Zara Home and Uterqüe** – with **5,402 stores in 78 countries**.

The Inditex Group brings together more than **one hundred companies** associated with the different activities in the business of designing, manufacturing and textile distribution.

The uniqueness of its **management model**, based on **innovation, flexibility and achievements**, have made Inditex one of the largest fashion retail groups.

The understanding of the **creativity, fashion and design quality** and **agile answer to market demands** have led to a rapid international expansion and an excellent response from the commercial proposal of the different chains.



6.4. GENERIC STRATEGIES

6.4.1. Price / cost leadership strategy



6.4. GENERIC STRATEGIES

6.4.1. Strategy of LOW PRICE



AIRLINES

Easyjet, Ryanair, Vueling

They have transformed the market with its policy of **seeking savings, secondary airports, the e-ticket and specialization on short routes**, which allows the crew always go home to sleep.



ATRAPALO.COM
Ocio al mejor precio



TRAVEL AGENCIES

Atrápalo, eDreams ...

A **simple format** based on **direct Internet sales** to drive the cost of offices has also completed the transformation of the market. The plus of comfort that this channel offers to customers – **ability to choose and compare prices easily**, the ease to get to them with **little investment through e-mail to communicate the offerings** explains that this low cost segment has been one of the most buoyant/optimistic.



lineadirecta.com

BANKING AND INSURANCE

ING, Balumba, Direct Insurance, Direct Line

Again, the **Internet Channel** is the basis of **saving on offices and staff**, which has resulted in the elimination of all kinds of commissions in the banking and has insured **best prices**. Also, again, the **customer convenience** (you can do all operations from home) and **use of tools for calculating the price of insurance or mortgage** have helped the development of a business model in which there were more barriers to entry as in other markets. But it has finally **prevailed as an alternative to traditional banking**.

ENTREPRENEUR MAGAZINE 19/10/2009



6.4. GENERIC STRATEGIES

6.4.1. Strategy of LOW PRICE

easyCut!
peluquerías

HAIRDRESSERS EASYCUT

An untapped market in which the pioneer EASYCUT triumphs with a model that shows that all sectors can adapt to low cost. The **maximum optimization template** and a very **limited range of services** to save costs, the **anticipated sale of services to advance payments** and their presence **online sales channel** and **advertising** are the keys to success in this segment.

¿qué menú te apetece hoy?

 <p>1 menú mechas 42€!</p> <p>mechas + tratamiento + lavar y peinar</p>	 <p>2 menú color 28€!</p> <p>color + tratamiento + lavar y peinar</p>
 <p>3 menú corte 26€!</p> <p>corte + tratamiento + lavar y peinar</p>	 <p>4 menú chico 12€!</p> <p>corte chico + ojos + masajé</p>

Elige tu menú y ahórrate los suplementos por mecha.
Productos Wella System Professional sin recargo.

WELLA  easyCut!
peluquerías

ENTREPRENEUR MAGAZINE 19/10/2009



6.4. GENERIC STRATEGIES

6.4.1. Strategy of LOW PRICE



KIABI

FASHION

H & M, Primark, Kiabi

Zara fashion with the model at **affordable prices** will keep showing the competitors that it is always possible to adjust prices further.

The last Primark, made competition even tighter, without sacrificing fashion hangers, with a **strategy based on high customer turnover** (color labeled sizes to speed up the sale) and a policy of **saving in premises and shop windows** (they have no mannequins); the only thing that fashion brands do not save, for fear of losing glamor.

CAR RENTAL

TRAVEL JIG SAW, Pepecar

Again the format is the cost savings to operate **with Internet** and **without office and intermediaries.**

Its success is based on **aggressive offers** (like Smart Pepecar nine euros) and the **promotion of advance payment**, to offer better prices to reserve one car before.



SPORTSWEAR

Koodza

The first hard discount applied to sportswear is the new chain Decathlon, Koodza. The French multinational has succeeded in giving a new twist to their prices with a much more basic format, **unadorned/plain local supply and total self service.**

ENTREPRENEUR MAGAZINE 19/10/2009



6.4. GENERIC STRATEGIES

6.4.1. Strategy of LOW PRICE

HOTELS

Room Mate, Chic & Basic, Travelodge, Sidorme

The revolution of the **low cost hotels** gives an idea of how to find opportunities in the same market with different approaches. Basically, **remove all unnecessary services** (gyms, swimming pools, restaurant ...) and **reduce the rooms** in a few meters to adjust space. **Room Mate** has focused on a **mid-priced segment**, with a positioning of **higher quality**, **Travelodge** looks for the **lowest price**, offering rooms for 10 euros, and **Chic & Basic**, which includes products such as **hostels and apartments**, or **focus on managers** (Sidorme).

MOBILE PHONES

PepePhone, Telstra, MÁSmovil

The last boom of low cost bases its strategy on the basic, cheapest rates in the market, through **savings** achieved by **eliminating the subsidy terminal** and **boosting sales through the Internet** to offer even lower prices.

AUTOMOTIVE INDUSTRY

Dacia Logan

The **car market no – frills** (without unnecessary extras, especially ones for decoration or additional comfort), but **without compromising safety and comfort**, was designed for sales in **emerging countries** (the Tata Nano was launched in India for 1,700 euros). But the model begins to expand in the middle classes in Europe, USA and Japan.



OPTICS

Opticadirecta

A virgin/untapped market where the key to success is to **operate online, offer private label** and **search suppliers directly**, eliminating intermediaries.



6.4.2. Strategy of DIFFERENTIATION

The company focuses on creating a typology of highly **differentiated product and marketing program**, appearing as the leader of its kind on the market.

- A. Product differentiation.
- B. Differentiation services.
- C. Image differentiation.
- D. Differentiation by personnel.
- E. Differentiation distribution channels.

Benefits:

- a. Superior Prices
- b. Brand loyalty
- c. Barrier to entry

Risks:

- a. Imitation
- b. Changes in consumers habits

(Kotler et al, 2000)



6.4. GENERIC STRATEGIES

6.4.2. Strategy of DIFFERENTIATION

A.- Product

Quality
Reliability
Innovation



(Kotler et al, 2000)

(Munuera and Rodríguez, 2007)



6.4. GENERIC STRATEGIES

6.4.2. Strategy of DIFFERENTIATION

A.- Product

- SAMSONITE is one of the **leading companies** in the field of **luggage** and **travel bags**.
- Their **differentiation** has been through the **features of their products**.
- They offer **durability and sturdiness** that no other brand offers.
- Its **strategy** is to offer a **quality, strength and durability** in its products, together with a **style and design**.



SAMSONITE

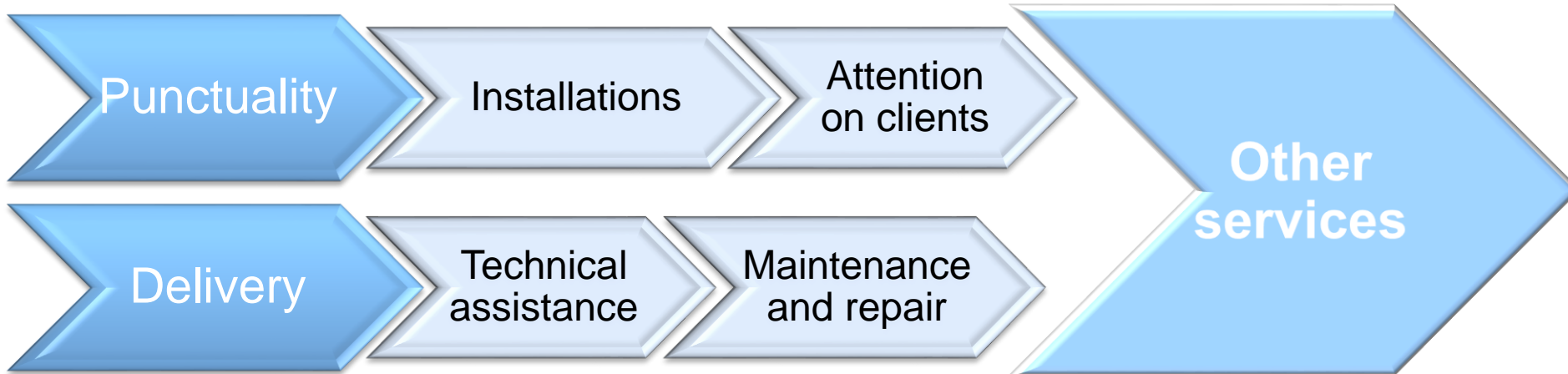
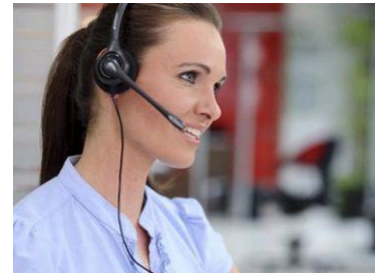


6.4. GENERIC STRATEGIES

6.4.2. Strategy of DIFFERENTIATION

B.- Services (core)

Peripheral / side - services



(Kotler et al, 2000)

(Munuera and Rodríguez, 2007)



6.4.2. Strategy of DIFFERENTIATION

B.- Services (core)



El Corte Inglés is a head of group of companies that have been born with the desire to **complete and adapt its product and services to customer needs**.

Wide range of items, personalized attention and multiple services available to customers.

The customer is at all times **first preference and obligation** of all who are part of the company.

Some services are: **Purchase Card** of El Corte Inglés, possibility of **funding**, **Customer Service departments** in each store, **parking, phone order, home delivery, packaging, warranty** of El Corte Inglés ("If not satisfied we return your money"), etc ...



6.4. GENERIC STRATEGIES

6.4.2. Strategy of DIFFERENTIATION

C.- Image



Pioneer



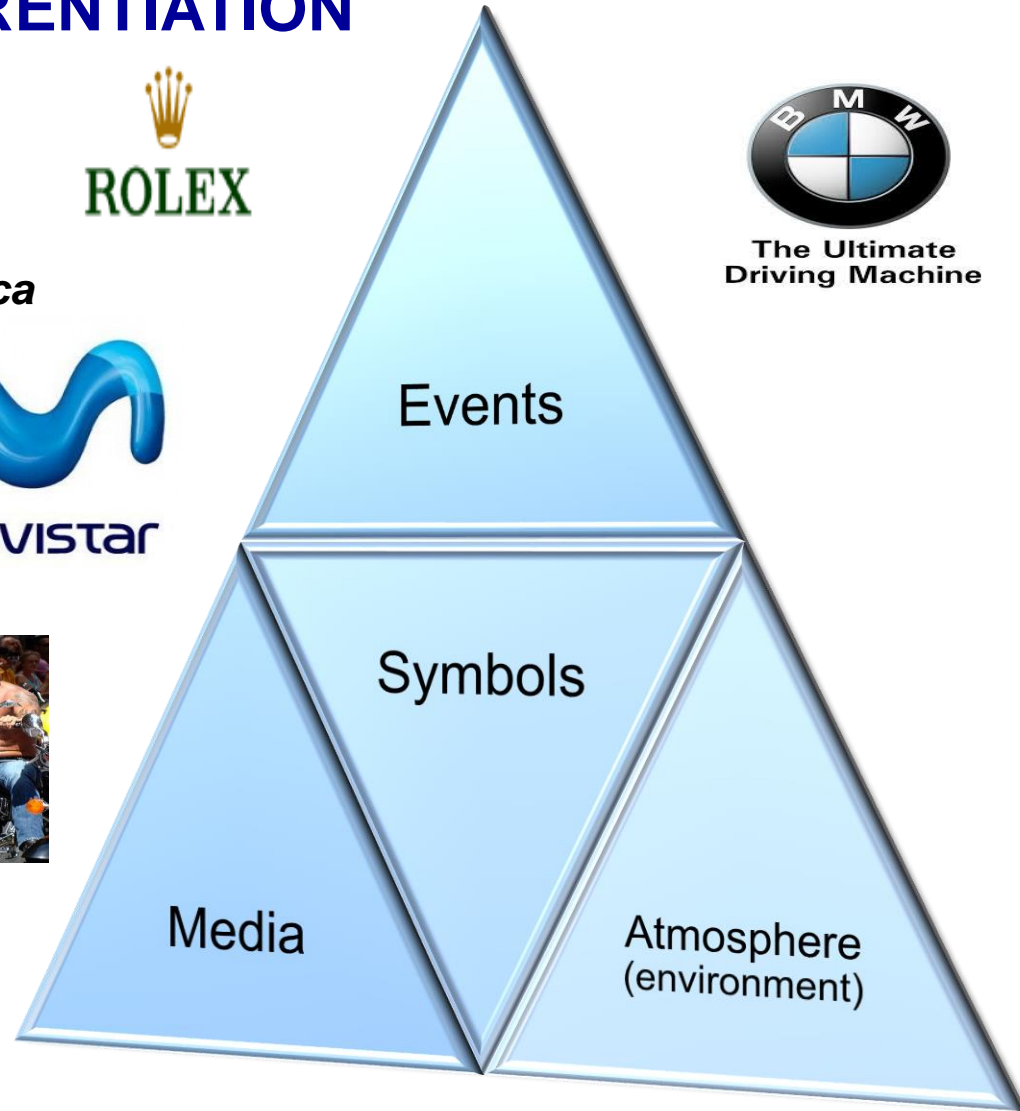
Marca



The Ultimate Driving Machine



Mercedes-Benz
The best or nothing.



(Munuera and Rodríguez, 2007)



6.4.2. Strategy of DIFFERENTIATION

C.- Image



- Their strategy in recent years has been based to develop a powerful and memorable image.
- Thanks to this strategy the logo-symbol has been replaced by a simple globally recognizable symbol.
- Price of products increases while increasing the demand.
- Scarce communication of product.
- Sales based on image, lifestyle.

6.4.2. Strategy of DIFFERENTIATION

D.- Personal / people

Through its latest **advertising campaigns and media** in general has tried to carry out a differentiation strategy focused on **customizing your offer.**

"La Caixa, Shall we talk?"

<http://www.youtube.com/watch?v=m2IKZmC3kc4>



6.4.2. Strategy of DIFFERENTIATION

E.- Canals of distribution



- Strategy characterized by exploiting a distribution channel that is not interesting or is unknown for other organizations.
- Example: Offering books and music on partners affiliated thereto.
- Reasons: a need to change attitudes and habits on the part of the participants.
- Provides advantages that can not be obtained through traditional stores (collections, fast reception, unique and exclusive items ...).

TESCO IN COREA:

http://www.youtube.com/watch?v=oPM4Ui6Sifk&feature=player_embedded

CÍRCULO.es

6.4. GENERIC STRATEGIES

6.4.3. Strategy of focus or specialization

The company focuses its efforts on serving few or even a single market segment, not pretending to reach the rest of the market.



<http://www.youtube.com/user/gasgasmotos>



DUCATI only makes sports Motorcycles.

GasGas only makes motorcycles for trials/tests and endurance.



<http://www.youtube.com/watch?v=vVKLI-ZBUwg>



6.4.3. Strategy of specialization

ENTREPRENEUR MAGAZINE 21/9/2009

TRAVEL AGENCIES: A MARKET WITH MANY HOLES

- **Safaris and Reserves in Africa:** relatively mature industry, but with new products.
- **Rural tourism:** specializing in hotel and countryside houses reservation.
- **Ski and snow for everyone:** industry on the rise, especially in its international offering.
- **SPA:** relatively new sector. Abundant / plentiful supply worldwide.
- **Excursions and tours of the wilderness:** relatively new sector.
- **Adventure, Sports and Risk:** ranging from trekking to riskier activities.
- **Language:** very mature in its aspect of English courses. Less mature in Spanish.
- **Luxury travel:** very minority sector, but profitable.
- **Wine Tourism:** emerging sector. Organized trips for Spanish wine regions around the world
- **Diving and water sports:** recent sector – the type of responsive one.
- **Receptive to luxury travelers:** customized trips for customers that want special feelings.
- **Incentives:** very mature sector. Right now in difficulties due to the restrictions of companies
- **Travel to remote areas:** industry with decades of activity, but growing.



6.4. GENERIC STRATEGIES

6.4.3. Strategy of specialization

Religious tours for groups
One group



Cruises, trips and trips for 'singles'
Singles Travel



Luxury Honeymoons on demand
Upper Class

ENTREPRENEUR MAGAZINE 21/9/2009



espíritu de exploración

Travel for 'explorers' to cold
places
Polar lands



Viajes al encuentro de la música

Operas and concerts throughout
Europe
Turismúsica

Transport
Traveldog “pampers / spoils traveling pets”

ENTREPRENEUR MAGAZINE 31/10/2008





6.3. COMPETITIVE STRATEGIES IN RELATION TO ENVIRONMENT AND IN RELATION TO COMPETITORS

BEHAVIOR IN RELATION TO COMPETITORS AND ENVIRONMENT

Based on Kotler and Singh (1981)

Specialist
Follower
Challenger
Leader

Based on Miles and Snow (1978)

Explorer
Defender
Analyser
Reactive

SOUGHT COMPETITIVE ADVANTAGE

1
Specialization (focus)
Differentiation
Low Price (lowest total costs)

2

RESOURCES FOR INVESTMENT

GROWTH

Penetration

Development of products

Development of markets

Diversification/Integration

Sustainability

Harvest

Elimination

3



6.5. COMPETITIVE STRATEGIES IN RELATION TO ENVIRONMENT AND IN RELATION TO COMPETITORS

6.5.1. COMPETITIVE STRATEGIES IN RELATION TO THE ENVIRONMENT

- 6.5.1.1. Strategy of a prospector / investigator or explorer**
- 6.5.1.2. Defender strategy**
- 6.5.1.3. Strategy of analyser**
- 6.5.1.4. Reactive strategy**

6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

- 6.5.2.1. Strategy of a leader**
- 6.5.2.2. Challenger strategy**
- 6.5.2.3. Strategy of a follower**
- 6.5.2.4. Strategy of a specialist**





6.5. COMPETITIVE STRATEGIES

6.5.1. COMPETITIVE STRATEGIES IN RELATION TO THE ENVIRONMENT

Miles and Snow identified **four competitive strategies** characterized by an entrepreneurial spirit in developing product-market.

VARIABLES

- Entrepreneurial spirit
- Emphasis on the development of product-market





6.5. COMPETITIVE STRATEGIES

6.5.1. COMPETITIVE STRATEGIES IN RELATION TO THE ENVIRONMENT

<p>PROSPECTORS</p> <ol style="list-style-type: none">1. Constantly searching for new products and markets.2. Focus –to be first on the market, with new or modifying existing products.3. Emphasis on innovation, flexibility and quick response to changes.4. Observant to the emergence of market opportunities.5. More decentralized organizations, with divisional structures.	<p>DEFENDERS</p> <ol style="list-style-type: none">1. Focus on product-market definition.2. Stable number of goods/services in certain markets.3. Competing primarily on price, quality, delivery or service.4. Highly specialized managers.5. Clear lines of authority, functional structures, centralized.6. Scarce (external) search for new opportunities.7. Internally oriented (emphasis on cost reduction).
<p>ANALYSER</p> <ol style="list-style-type: none">1. Hybrid between defender and prospector (Combination of their strengths).2. Minimization of risk – maximization in seeking opportunities.3. New products / markets, but only after its feasibility has been demonstrated, via imitation.4. Stable set of customers and products.5. In stable environments, they operate routinely, formal and efficient.6. In turbulent environments are followers.	<p>REACTIVE</p> <ol style="list-style-type: none">1. Units that do not follow a clear strategy, but react to competitive moves.2. Distinguished by a lack of clear strategy and react when environmental pressures force them to do so.3. They do not follow a consistent pattern in decision - making deliberately - difficult to categorize.

6.5. COMPETITIVE STRATEGIES

6.5.1. COMPETITIVE STRATEGIES IN RELATION TO THE ENVIRONMENT

MARKETING VARIABLES	REACTIVE	DEFENDER	ANALYSER	PROSPECTOR / INVESTIGATOR
New product development	Very low	Low	Medium - High	High
Innovations in distribution	No direction	Medium	Medium	Medium
Price	No direction	High	High	High
Price analysis	Medium	High	High	High
Advertising	No direction	Medium	Medium	Medium
Direct advertising	No direction	Medium	Medium - High	Medium - High
Sales force	Low	Medium - High	High	High
Training of sales force	Very low	Low	Low	Medium
Sales management	No direction	Low	Medium	Medium - High
Promotion	No direction	Medium	Medium - High	Medium - High
Public relations	Medium	High	High	High
Market research	Low	Low	Medium	Medium - High
Consumer information system	No direction	Medium	High	High
Global influence of marketing	No direction	Low - Medium	Medium - High	Medium - High

6.5. COMPETITIVE STRATEGIES

6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

VARIABLES

- Importance of market share
- Action in relation to competitors

a.- Expanding global market DEMAND (total market)

b.- Expanding market SHARE
ATTACK

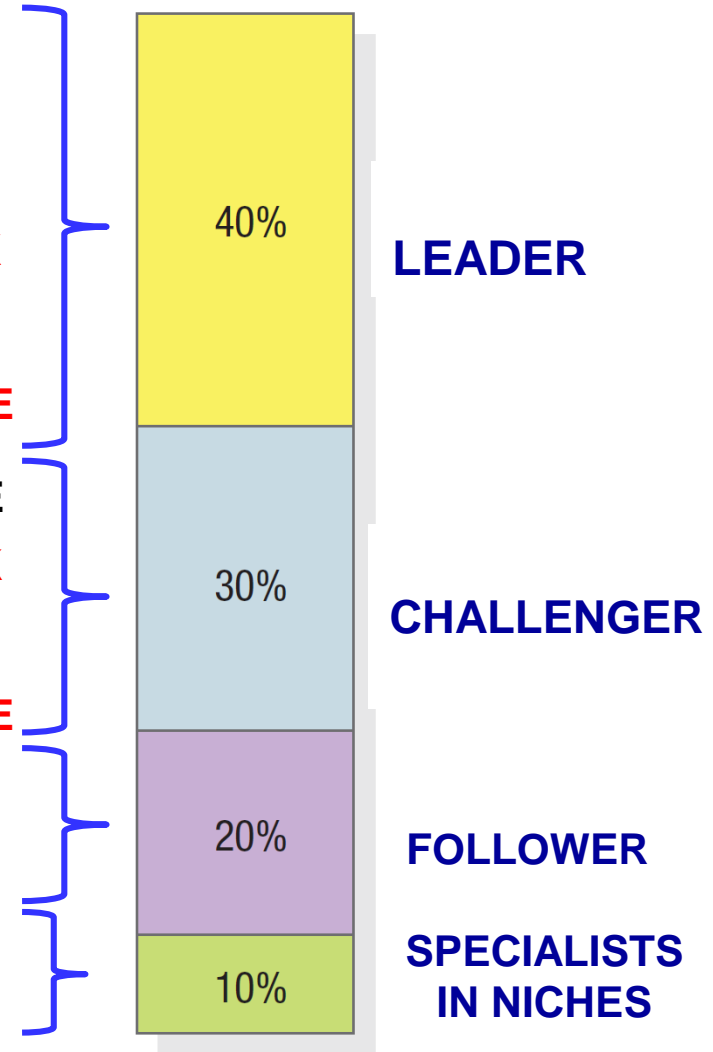
c.- DEFENSE of market share
DEFENSE

b.- Expanding market SHARE
ATTACK

c.- DEFENSE of market share
DEFENSE

d.- Peaceful coexistence

e.- Expansion of sales in segments



(Kotler et al, 2000)

(Munuera and Rodríguez, 2007)



6.5. COMPETITIVE STRATEGIES

6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.1. LEADER STRATEGY

The leader holds the **dominant position in the market**, is recognized as such by its competitors and often becomes a **target** for **rival companies** actions of **attack, following or avoidance**.

(Munuera and Rodríguez, 2007)



A.- Expanding global market DEMAND and development of primary demand: New users, new uses, increasing frequency of use or average amount of use.

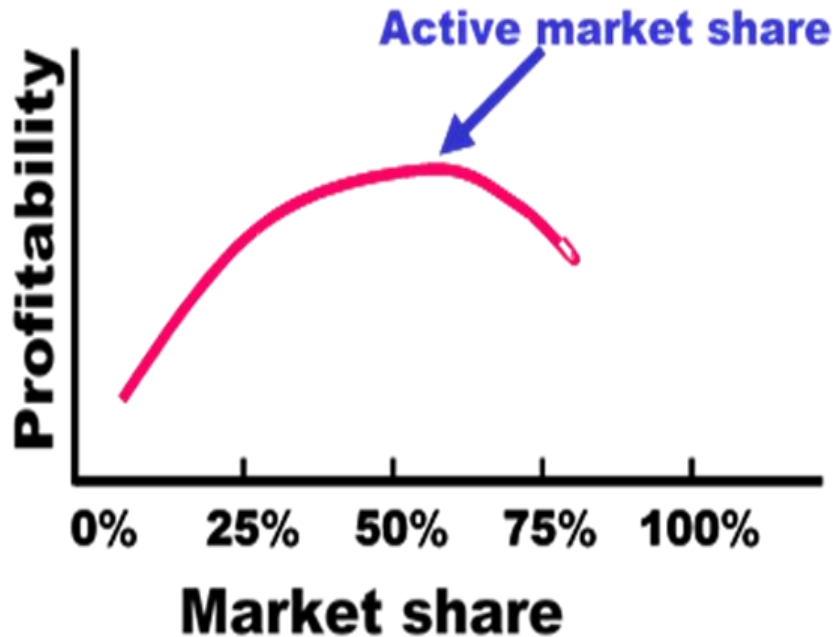


6.5. COMPETITIVE STRATEGIES

6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.1. LEADER STRATEGY

B.- Expanding market share/ quota: line extension, new brands, substitute products or take/remove clients from competitors (ATTACK ON COMPETITION).



(Kotler et al, 2000)

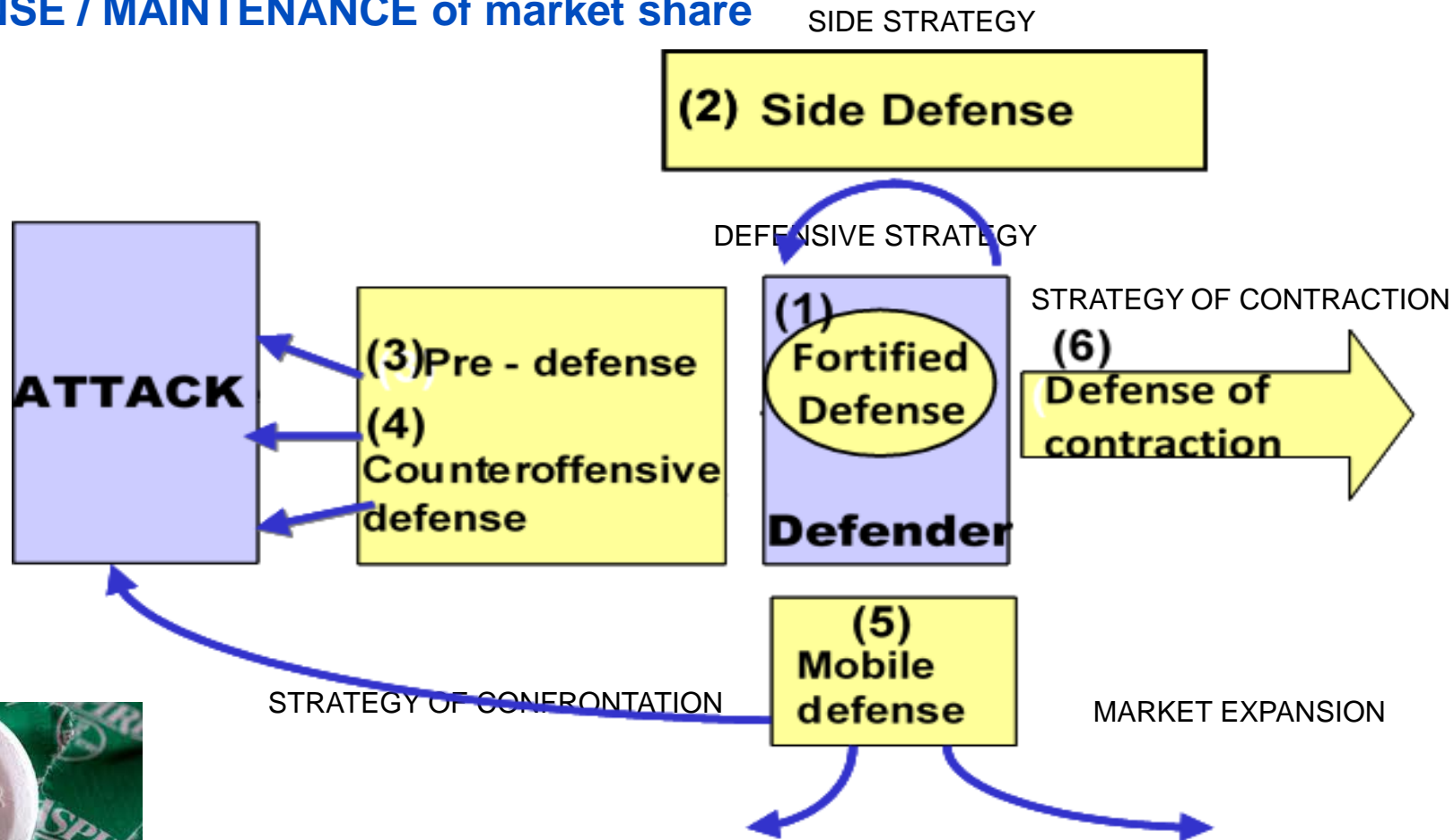
(Munuera and Rodríguez, 2007)

6.5. COMPETITIVE STRATEGIES

6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.1. LEADER STRATEGY

C.- DEFENSE / MAINTENANCE of market share



(Kotler et al, 2000)

(Munuera and Rodríguez, 2007)



6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.1. LEADER STRATEGY

C.- DEFENSE / MAINTENANCE of market share

Fortified / position defense:

- purely defensive not enough --> must take **offensive counter-measure**. **Eg: Coke** --> multi segments of cola mkt --> enter wine market --> acquire fruit drink companies --> plastics

Flanking / side defense:

- guarding territory not enough - **create outposts/flanks:**

--> protect weak front --> base for counter-attack

Eg: Hyvee: supermkt still dominant yet facing challenges from other retailers

flanking strategy: strengthening via superstore concept --> • traditional foods meat/ canned/ packaged • non-traditional --> ethnic foods, wines • prepared foods --> restaurant, take out, salad bar, bakery • non-food retailing --> clothings, garden store, video rental, dry cleaning, photo developer • services: catering, party planning.

Pre(emptive) defense:

- attack BEFORE enemy starts offense. **Eg: Seiko with 2300 watch models:** sends market signals but does nothing -- hears of competitor's plan to build new factory --> "leaks info" of planned price cut and new factory plans.

Counter-offensive defense:

- counterattack: price cut, promo blitz, product improvement, sales-territory invasion.
Options: • "wait and see" • strong response • low end defense.

Mobile defense:

- stretches domain over new territories:

Market broadening or diversification:

Contraction defense:

- strategic withdrawal -- give up weak territories
- concentrates strength at pivotal positions



6.5. COMPETITIVE STRATEGIES

6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.2. STRATEGY OF A CHALLENGER

The challenging company is aggressively expanding its market share either by attacking the leader, or the companies with similar size or smaller companies.

Attack on the leader: to snatch part of its' market share.

Facing Small Business: to gain from its withdrawal from market.

Once decided who is the opponent and the goal, the company will have to decide upon the strategy of attack.

PEPSI VS COCA COLA

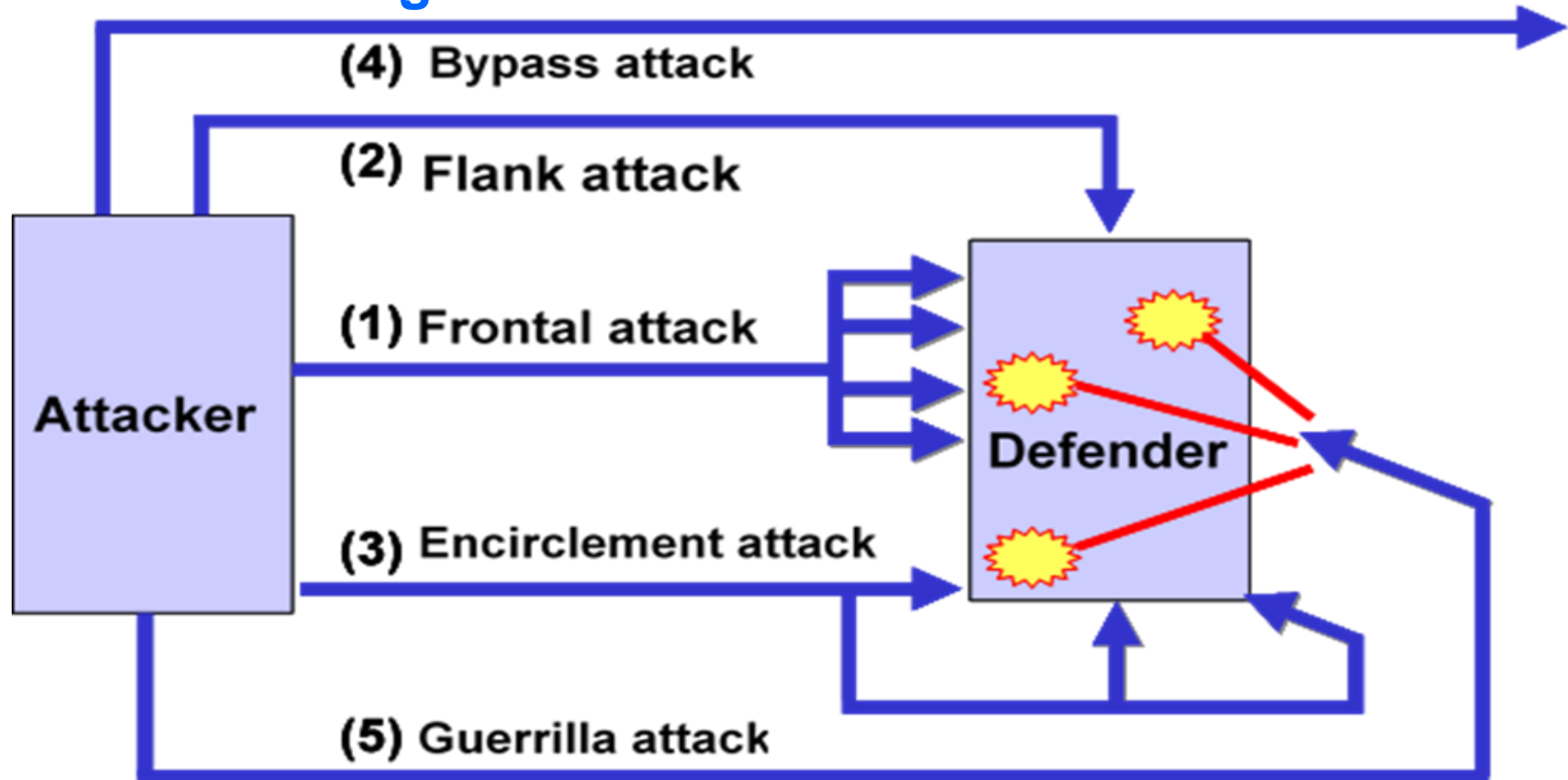


6.5. COMPETITIVE STRATEGIES

6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.2. STRATEGY OF A CHALLENGER

General strategies of attack



(Kotler et al, 2000)

(Munuera and Rodríguez, 2007)



6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.2. STRATEGY OF A CHALLENGER

General strategies of attack

Frontal attack

- “head-on” attack - the principle of force. Attacker matches opponent along all parts of M Mix.

Cases - Shampoo/conditioner market: Helene Curtis' low-price strategy when @ 1% market share strategy: imitate high priced brands but sell at half price. • Result: 1976: 16% MS; > P&G's H&S; J&J's.

Flank / side attack

- “concentration against weakness”.
- attack strong side --> tie up defender's troops.
- real attack: side --> catch off guard.
- spot uncovered market needs.
- identify shifts in segments --> quick entry, develop segment into strong segments.

Case - Autos in 70s: Japanese saw Detroit's vulnerability in small, fuel efficient car segment.

Encirclement attack

- capture a wide slice of territory via blitzkrieg.
- grand offensive in many fronts.
- enemy must protect front, rear, sides.
- attacker offers everything leader offers & more

Case - Seiko's global strategy: 2300 models worldwide & 400 for US mkt. • attributes attacked: fashion, features, user preference, price.

Bypass attack

- indirect assault
- avoid enemy; attack easier markets

3 alternative bypass attack strategies: a. diversify into unrelated products. b. new geographical markets. c. new technologies.

Guerrilla attack

- harassing & demoralizing opponent
- excellent for small companies



6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.2. STRATEGY OF A CHALLENGER

Specific strategies of attack

- Strategy of discounts (in price)
- Strategy based on cheap(er) products
- Strategy based on prestige products
- Strategy proliferation of products (Hunt ketchup - several flavors, several bottle sizes).
- Product Innovation strategy
- Strategy to improve services
- Strategy of innovation in distribution
- Strategy to reduce operating costs
- Intensive advertising strategy

(Kotler et al, 2000)



6.5. COMPETITIVE STRATEGIES



6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

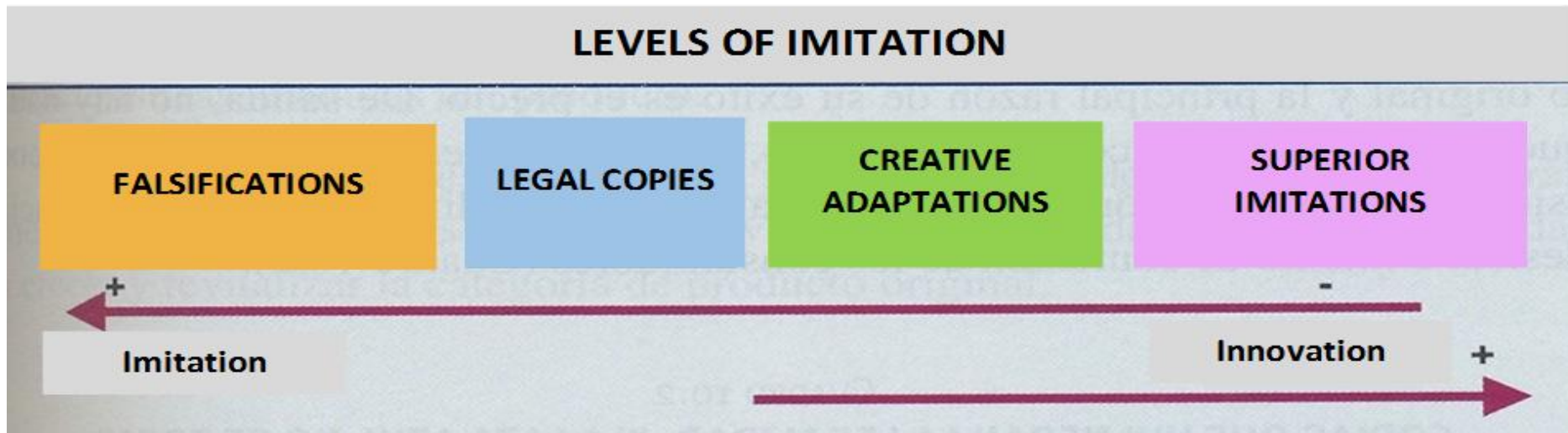
6.5.2.3. STRATEGY OF A FOLLOWER

The follower occupies a **lower position** than the leader. A frontal attack on the leader could damage it more than benefit it.

Adaptive behavior. Aligning decisions with the competition.

Pursues **peaceful coexistence** with the leader and a **conscious market sharing**.

Particularly important strategy: **clearly defined strategic objectives**, adapted to the **size of the company** and its **strategic ambition**.



6.5. COMPETITIVE STRATEGIES

6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.3. STRATEGY OF A FOLLOWER

(Munuera and Rodríguez, 2007)

(Kotler et al, 2000)

FALSIFICATIONS



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CLONE



CREATIVE ADAPTATION



IMITATOR

SUPERIOR IMMITATION



ADAPTATOR



6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.4. STRATEGY OF A NICHER SPECIALIST

Specialists in segments or niches. Generally, small businesses (although sometimes, medium or large).

They act in specific areas unattractive to large companies or allocate their products to small groups of consumers that are of no interest to large companies.

Problem: identify the feature or criterion on which to base the specialization.

Conditions for successful niching:

- sufficient size & purchasing power
- growth potential
- resources & skills to niche successfully
- can defend against attack via customer goodwill.



6.5. COMPETITIVE STRATEGIES

6.5.2. COMPETITIVE STRATEGIES IN RELATION TO COMPETITORS

6.5.2.4. STRATEGY OF A NICHER SPECIALIST

GUERRILLA ATTACKS

- **End-user specialists**
- **Vertical-level specialists:** production/distribution
- **Customer-size:** sell to either small, med or large
- **Geographic area specialists**
- **Product or product-line specialists:** lab equipment
- **Product feature specialist:** Rent-a-wreck
- **Job-shop specialists:** customize as ordered
- **Quality/price specialists:** low or high end target
- **Service specialists:** more or specialized service
- **Channel specialists:** serve only one channel.

(Kotler et al, 2000)



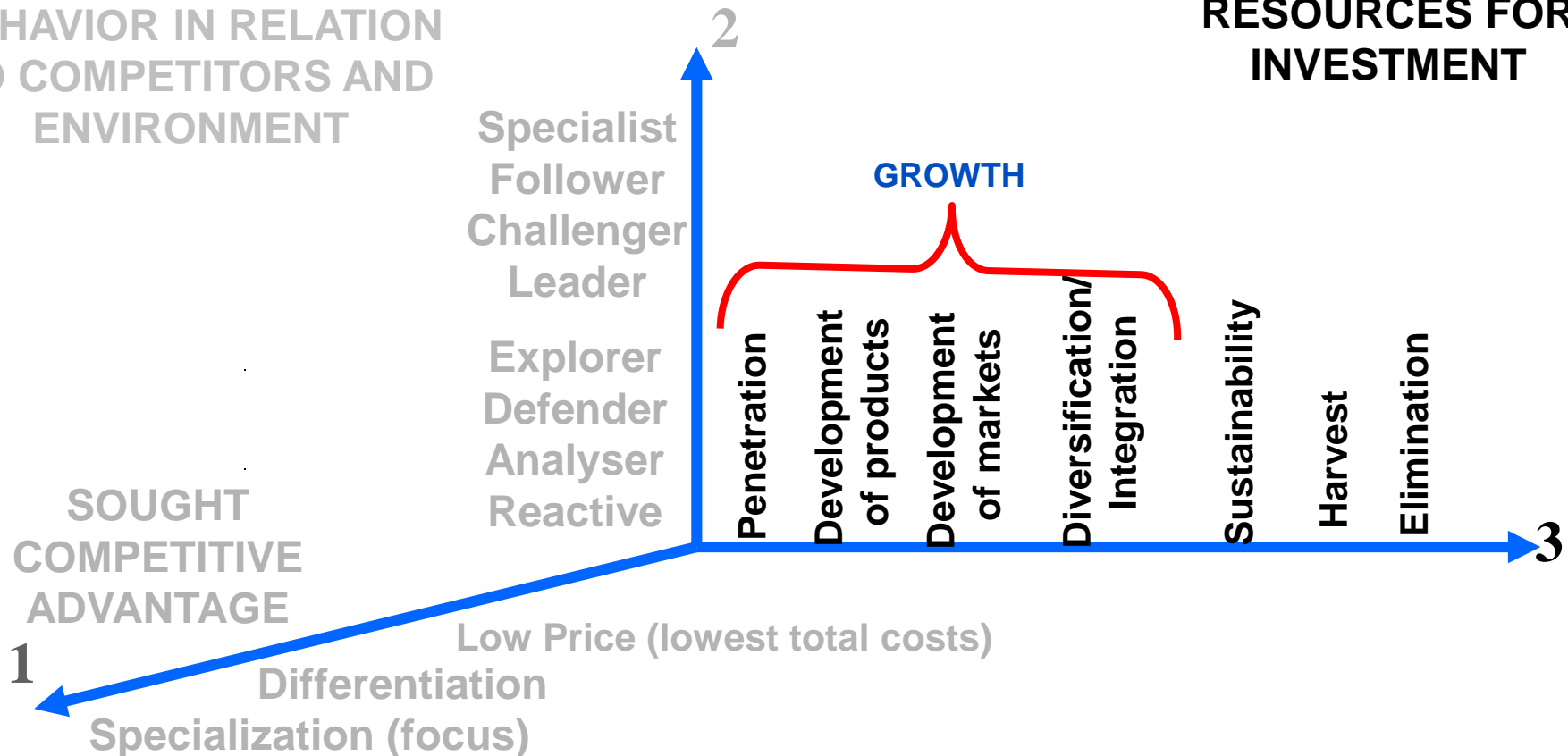
electra norte
 PRODUCCIÓN Y COMERCIALIZACIÓN
 DE ENERGÍA RENOVABLE



6.6. GROWTH OR INVESTMENT STRATEGIES AND STRATEGIES OF MAINTENANCE AND DISINVESTMENT

BEHAVIOR IN RELATION TO COMPETITORS AND ENVIRONMENT

RESOURCES FOR INVESTMENT



6.6. GROWTH OR INVESTMENT STRATEGIES AND STRATEGIES OF MAINTENANCE AND DISINVESTMENT

6.6.1. GROWTH OR INVESTMENT STRATEGIES

6.6.1.1. INTENSIVE GROWTH STRATEGIES

6.6.1.1.1. MARKET PENETRATION STRATEGY

6.6.1.1.2. STRATEGY OF NEW PRODUCT DEVELOPMENT

6.6.1.1.3. STRATEGY OF DEVELOPMENT OF NEW MARKETS

6.6.1.2. DIVERSIFIED GROWTH STRATEGY / INTEGRATION

6.6.2. STRATEGIES OF MAINTENANCE OR DISINVESTMENT

6.6.2.1. STRATEGY OF SUSTAINMENT

6.6.2.2. STRATEGY OF HARVEST

6.6.2.3. STRATEGY OF ELIMINATION





6.6. GROWTH OR INVESTMENT STRATEGIES AND STRATEGIES OF MAINTENANCE AND DISINVESTMENT

RESOURCES FOR INVESTMENT

Investment →

Based on Ansoff (1965)

PRODUCTS / MARKETS

PRODUCTS

		PRODUCTS	
		Existing	New
PRODUCTS / MARKETS	Existing	Market penetration	Product development
	New	Market development	Diversification / integration

Sustainment
Harvest
Elimination



Based on BCG and GE

MARKET ATTRACTIVENESS

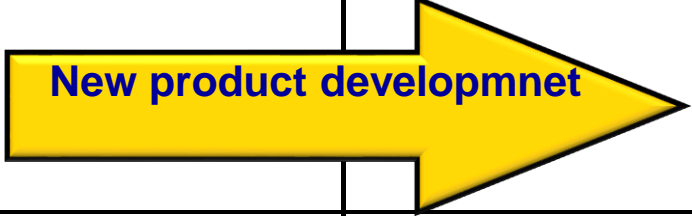

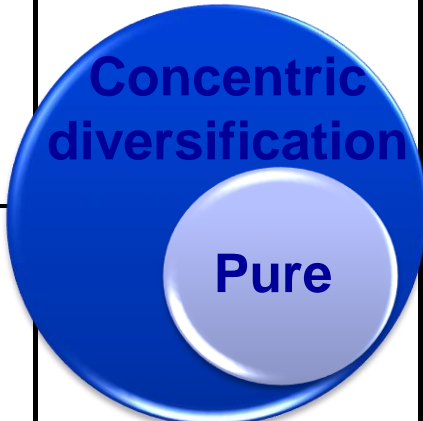
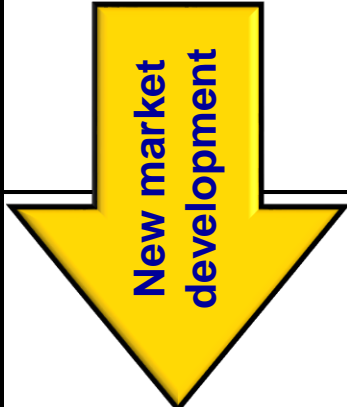
COMPETITIVE POSITION

		COMPETITIVE POSITION	
		Medium	Low
MARKET ATTRACTIVENESS	Medium	Sustainment	Harvest
	Low	Harvest	Elimination



6.6. GROWTH OR INVESTMENT STRATEGIES AND STRATEGIES OF MAINTENANCE AND DISINVESTMENT

6.6.1. GROWTH OR INVESTMENT STRATEGIES

	CURRENT PRODUCT	MODIFIED PRODUCT	NEW PRODUCT
CURRENT MARKET	Market penetration		
NEW PRODUCT - MARKET			
NEW MARKET			





6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1. GROWTH OR INVESTMENT STRATEGIES

EXPANDED GROWTH MATRIX

LEVEL OF NOVELTY OF PRODUCTS

EXISTING

MODIFIED

NEW

LEVEL OF NOVELTY OF MARKETS
 EXISTING
 extended
 MODIFIED
 NEW

EXISTING	Penetration in existing segments	Extension of product lines	Extension of product lines	New lines
extended	Penetration in new segments	Extension of product lines and into new segments	Extension of product lines and into new segments	New lines and new segments
MODIFIED	Expansion into new products - markets	Extension of product lines and expansion into new products - markets	Extension of product lines and expansion into new products - markets
NEW

Alternative, different technology

DIVERSIFICATION / INTEGRATION

Different relevant market

DIVERSIFICATION / INTEGRATION

DIVERSIFIED / INTEGRATED GROWTH

- Market penetration
- Product development
- Market development
- Market and product development



6.6.1. GROWTH OR INVESTMENT STRATEGIES

STRATEGIES OF GROWTH

- **INTENSIVE GROWTH:** suitable for companies that **have not fully exploited the opportunities** offered by the products available in the markets in which they operate.
- **DIVERSIFIED GROWTH:**
 1. When in the market the companies **have fully exploited** the opportunities of expansion.
 2. When **competition** has a strong market position.
 3. When companies face an imminent **decline in demand**.







6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1. GROWTH OR INVESTMENT STRATEGIES

Strong competition of today's markets means continuous decline in profit margins, highlighting the importance of growth strategies to maintain profits.

ANSOFFs GROWTH MATRIX

		PRODUCTS	
		Existing	New
PRODUCTS- MARKETS	Existing	 Market penetration	 New product development
	New	 New market development	 Market and product development

Intensive growth

Diversified growth

(Ansoff, 1965)



6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1.1. STRATEGIES OF INTENSIVE GROWTH

6.6.1.1.1 MARKET PENETRATION

	Existing	New
Existing	1 Market penetration	2 New product development
New	3 New market development	4 Market and product development

Enhancing existing activities without going into major alterations.
The company tries to increase sales in markets already served.

Advantages: the company knows market depth, characteristics, potential, competition, etc.

Risk: limitations in search of opportunity.

A.- INCREASING THE MARKET SHARE

Suitable when the market is growing.

Increased marketing activities: promotional activities, price reduction, etc.

The company can also choose to differentiate the product.



6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1.1. STRATEGIES OF INTENSIVE GROWTH

6.6.1.1.1 MARKET PENETRATION

	Existing	New
Existing	1 Market penetration	2 New product development
New	3 New market development	4 Market and product development

A.- INCREASING THE MARKET SHARE

Don Simon compared their product with Minute Maid by its advertising campaign which aimed to increase its market share at the expense of the latter and they succeeded.

Specifically, before the announcement of its participation in the refrigerators in grocery stores, the market share was 10%, while Minute Maid had arrived at 70%.

A year later, the company had achieved leadership in this market.



6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1.1. STRATEGIES OF INTENSIVE GROWTH

6.6.1.1.1 MARKET PENETRATION

		Existing	New
Existing	1	Market penetration	New product development
New	3	New market development	Market and product development

B.- INCREASED USE OR CONSUMPTION OF CURRENT PRODUCT

(Munuera and Rodríguez, 2002)



B.1.-

Strategy	Actions
Increase the frequency of product use and consumption	<p>Advertise to recall/remember the use or consumption;</p> <p>Position the product on the base of frequent use;</p> <p>Position the product on the base of regular use;</p> <p>Make the use/consumption more easy or convenient;</p> <p>Reduce the barriers for more frequent use/consumption.</p>

B.2.-

Increase the levels of use or consumption (quantity) per occasion	<p>Advertise to recall/remember the use or consumption;</p> <p>Stimulate the consumption through promotions;</p> <p>Reduce the barriers for increased use/consumption;</p> <p>Develop positive actions for increased use.</p>
---	---

B.3.-

Create new situations of use and consumption	<p>Create use/consumption on different occasions;</p> <p>Create use/consumption on different locations;</p> <p>Create use/consumption for different purposes.</p>
--	---

6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1.1. STRATEGIES OF INTENSIVE GROWTH

6.6.1.1.1 MARKET PENETRATION

	Existing	New
Existing	1 Market penetration	2 New product development
New	3 New market development	4 Market and product development

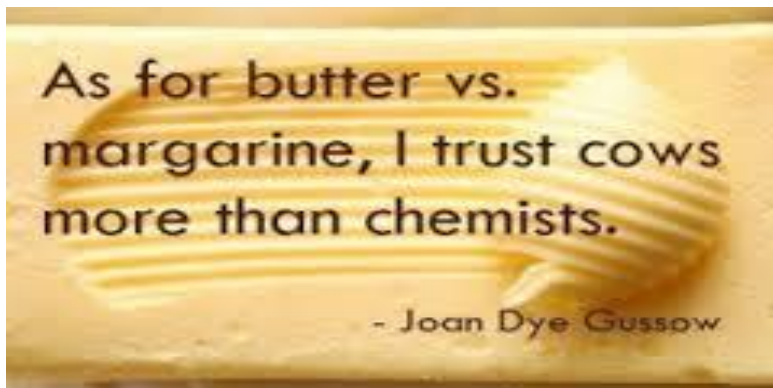
C. - SEARCH AND ATTRACT NEW USERS

To expand the number of consumers or users attracting nonusers or consumers of substitutes / competitors.

Through:

Increased communication activities.

Distribution channels.



6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1.1. STRATEGIES OF INTENSIVE GROWTH

6.6.1.1.2. NEW PRODUCT DEVELOPMENT

	Existing	New
Existing	1 Market penetration	2 New product development
New	3 New market development	4 Market and product development

To survive, all companies adapt their products to market needs.

It is the appropriate strategy when: The company has outstanding resources for R + D + I; and when there is loyalty manifested in buying behavior.

For new proposals knowledge and experience on the market are important.

Options:

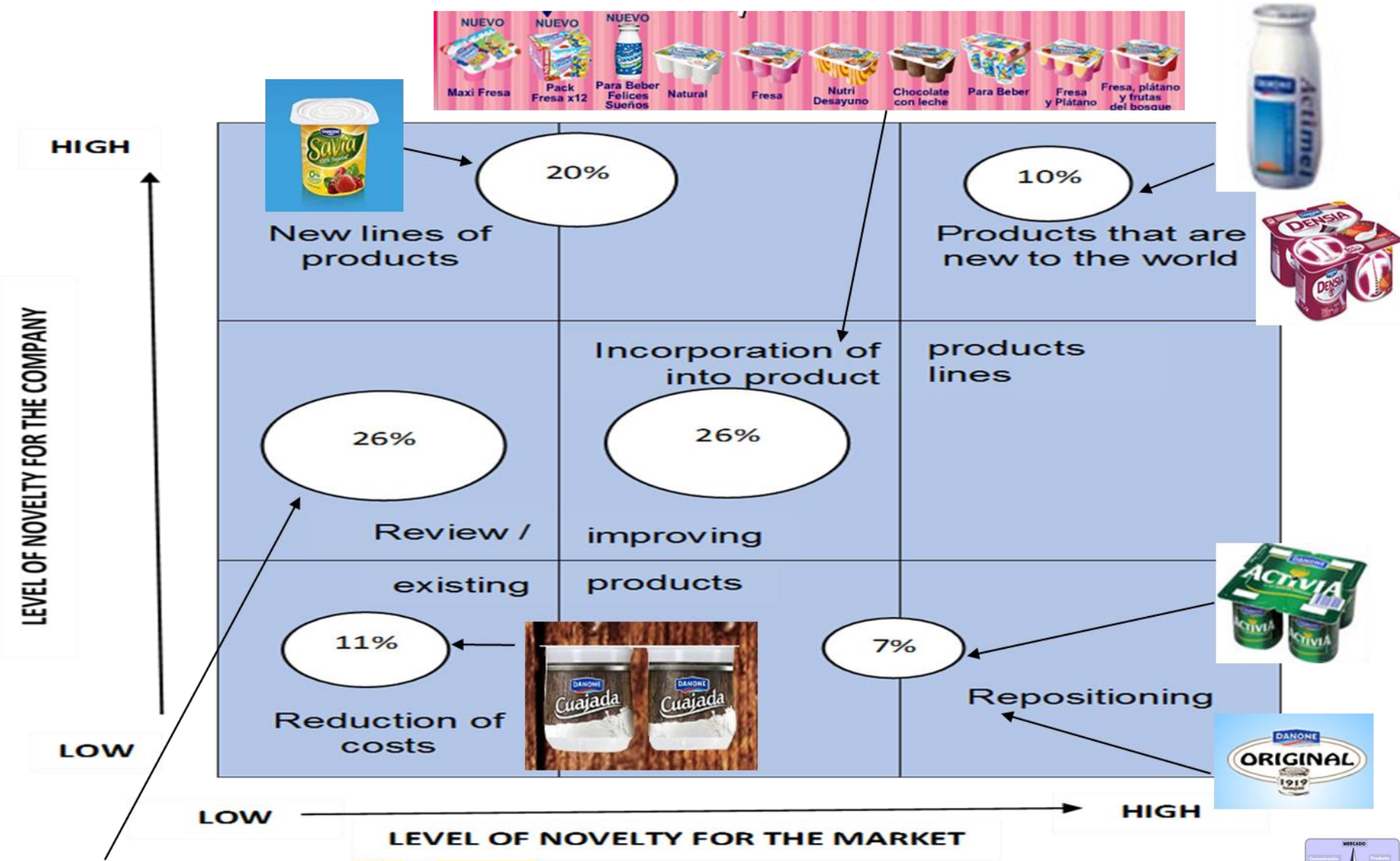
- Adding new features or attributes of a product.
- Improved quality and performance.
- Expansion of the product line.
- Rejuvenation of product lines.
- Creation of new products.





6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1.1.2. NEW PRODUCT DEVELOPMENT





6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1.1. STRATEGIES OF INTENSIVE GROWTH

6.6.1.1.3. NEW MARKET DEVELOPMENT

		Existing	New
Existing	1	Market penetration	New product development
New	3	New market development	Market and product development

The company is introducing its traditional products in new markets.

Objective: To take advantage of production experience, facilities and technological knowledge.



A. Expansion into new segments

Through: New product releases, new channels, advertising

B. Geographic expansion at different levels

For: Profit, Control, Commitment, Investment



	DIRECT AND INDIRECT EXPORT	CONCERTED EXPORT	COMMERCIAL SUBSIDIARIES	SUBSIDIARIES OF PRODUCTION
 				
Importance of financial investment	Low	Variable	High	Very high
Control over the operations	Low	Medium-elevated	High	Total
The planning horizon	Short	Long	Very long	Very long
Penetration intensity	Low	Medium	High	High
Total risk	Low	Low	Regular	High

6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1.2. STRATEGY OF DIVERSIFICATION / INTEGRATION

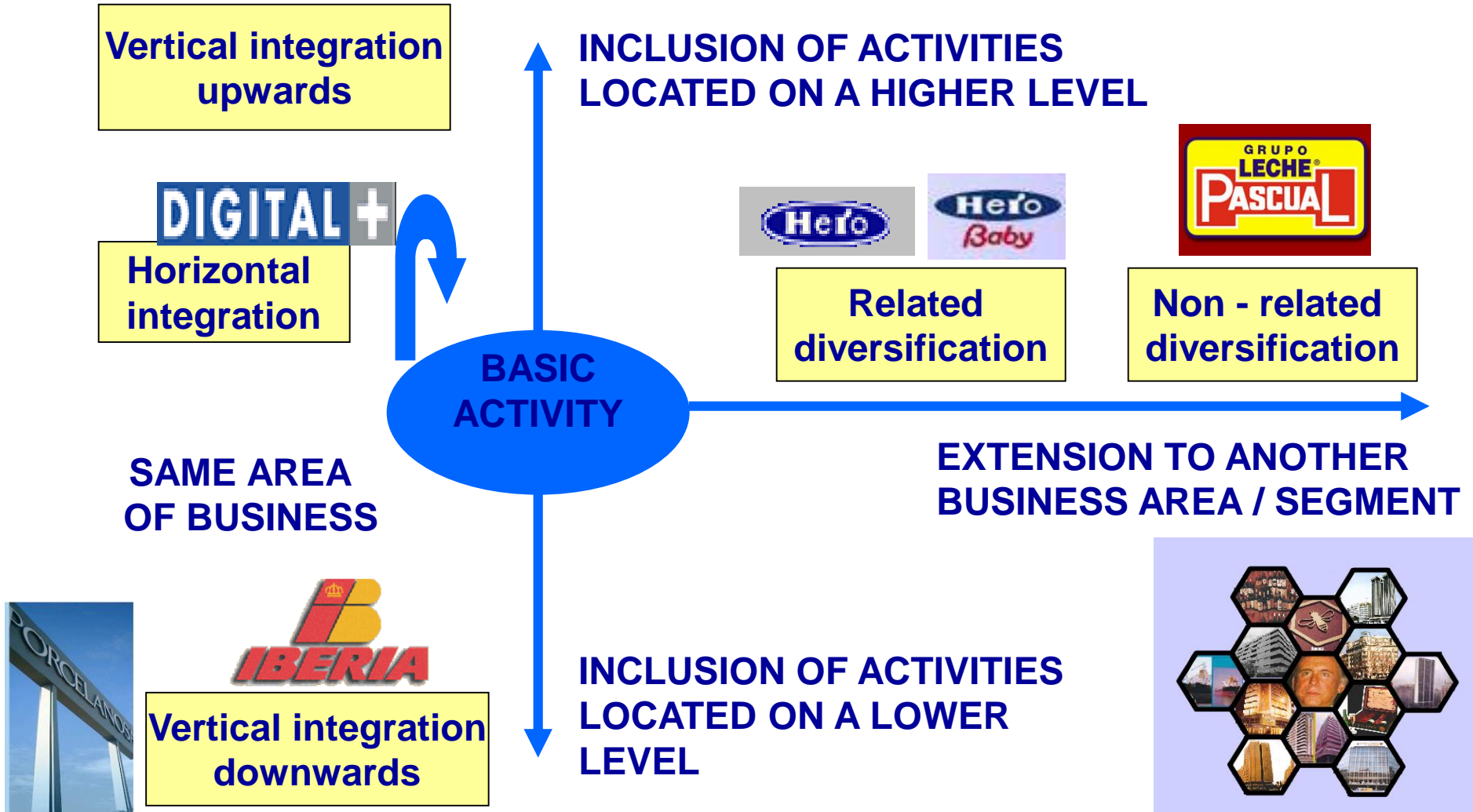
Reasons for diversification:

- Reduction of overall risk.
- Traditional market saturation.
- Investment opportunity of financial surpluses.
- Existence of underused resources and knowledge.
- Strengthen the competitive position.



6.6. GROWTH OR INVESTMENT STRATEGIES...

6.6.1.2. STRATEGY OF DIVERSIFICATION / INTEGRATION



6.6.1.2. STRATEGY OF DIVERSIFICATION / INTEGRATION

Related or concentric diversification.

Growth into a business with manufacturing activities, marketing or joint technology with the usual business of the company.



Unrelated diversification.

It targets a new business that does not have a clear connection to any existing areas in the company.



6.6.1.2. STRATEGY OF DIVERSIFICATION / INTEGRATION

Horizontal integration.

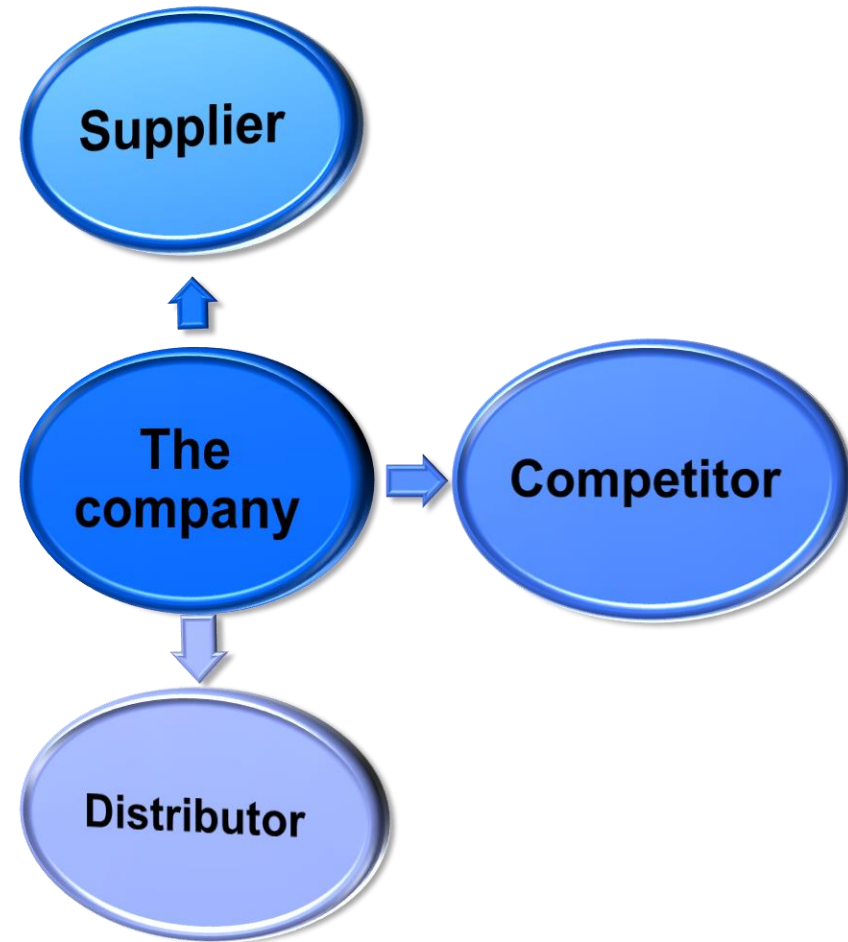
When the diversification takes place sideways in horizontal level.



Vertical integration.

When diversification is carried up or downwards in vertical level.

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6.6. STRATEGIES OF MAINTENANCE AND DISINVESTMENT

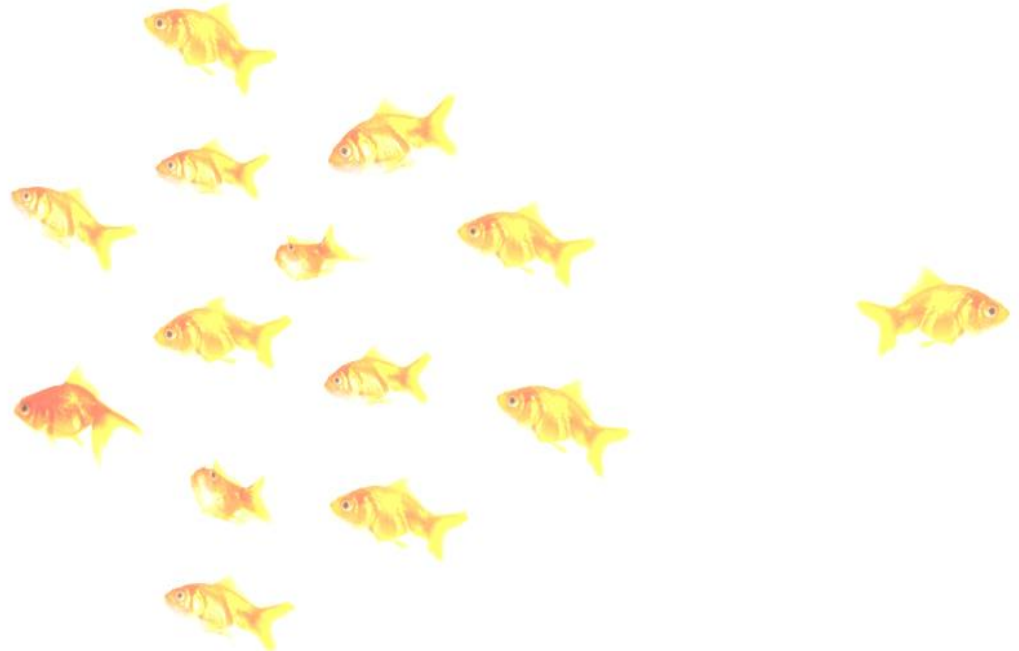
6.6.2 STRATEGIES OF MAINTENANCE OR DISINVESTMENT

Actions of the company for engagement in mature and declining markets.

Disinvestment: products with a lower average competitive position or markets with medium or low attractiveness.

- Divest strategies:

1. Elimination.
2. Sustainment.
3. Harvest.



6.6. STRATEGIES OF MAINTENANCE AND DISINVESTMENT



6.6.2 STRATEGIES OF MAINTENANCE OR DISINVESTMENT



Elimination Harvest Sustainment Growth



INVESTMENT

CAUSES

- Legal Regulation
- Changes in tastes
- Competition
- New Product Launch
- Opportunity, cost, resources
- Supply problems
- Reduction in product line
- Low sales / profit
- Poor quality
- Obsolete production
- Merger / Acquisition
- Not suitable image of company
- Environment
- Head Office

CAUSES

Uncertainty about the future

CAUSES

- Losses and no contribution to improvement of image.
- Market share decreases slowly.
- Decline in the life cycle and
- Few perspectives for change.

- Penetration strategies
- Product Development - Strategies
- Market Development Strategies
- Diversification / Integration

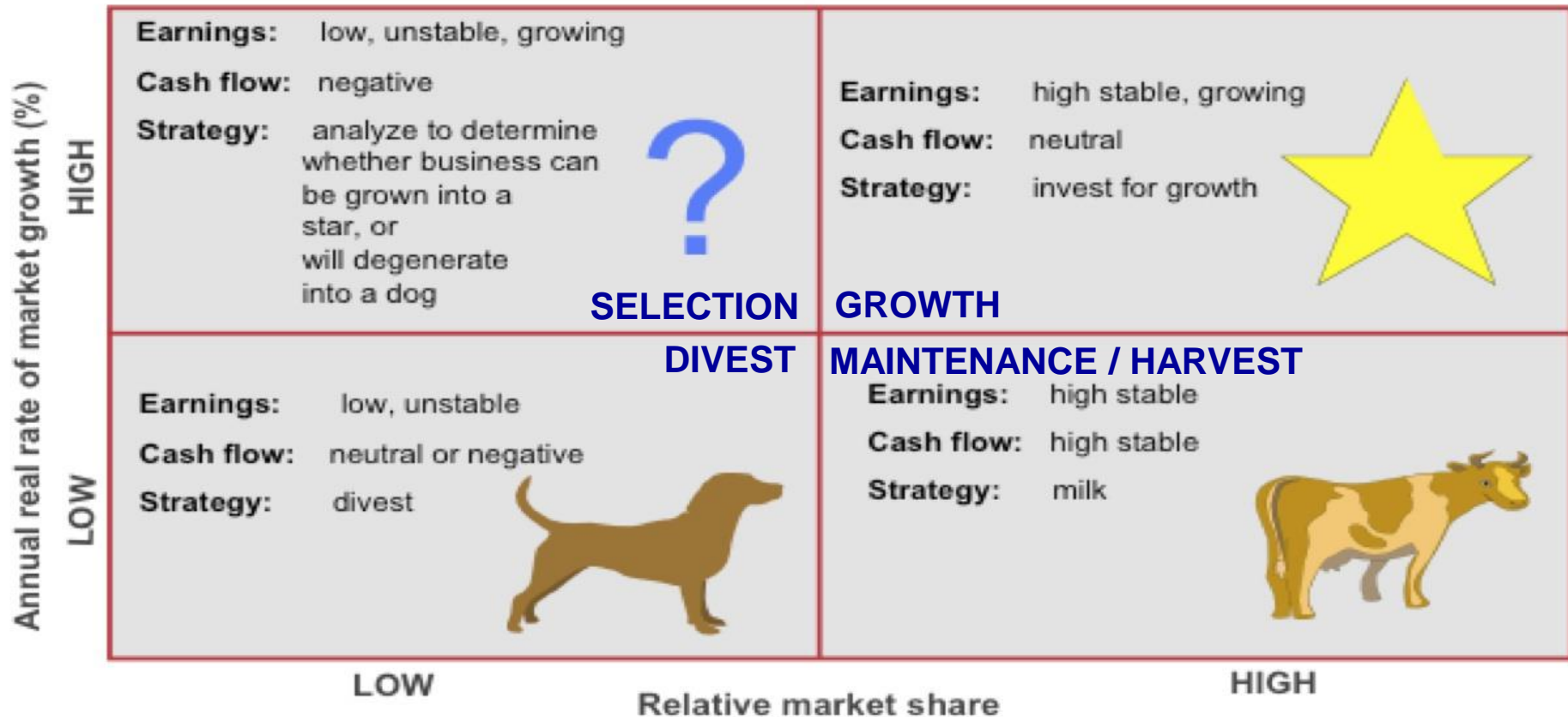
(Munuera y Rodríguez, 2007)



6.6. STRATEGIES OF MAINTENANCE AND DISINVESTMENT

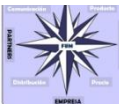
6.6.2 STRATEGIES OF MAINTENANCE OR DISINVESTMENT

STRATEGIES BASED ON THE MATRIX OF MARKET GROWTH - MARKET SHARE



Source: Robert M. Grant, *Contemporary Strategy Analysis: Concepts, Techniques, Applications* (5th edition, Blackwell, 2004), Ch. 6

(Munuera and Rodríguez, 2007)



6.6. STRATEGIES OF MAINTENANCE AND DISINVESTMENT

6.6.2 STRATEGIES OF MAINTENANCE OR DISINVESTMENT

STRATEGIES BASED ON THE MATRIX OF COMPETITIVE POSITION AND MARKET ATTRACTIVENESS

Competitive position of companys' products

		Competitive position of companys' products		
		Strong	Medium	Weak
Market attractiveness	High	Effort in investment and growth	Investment and selective growth	Opportunistic selection
	Medium	Investment and selective growth	Selectivity	Harvesting with invisible tactics
	Low	Protective selection	Harvesting with visible tactics	Divest rapidly

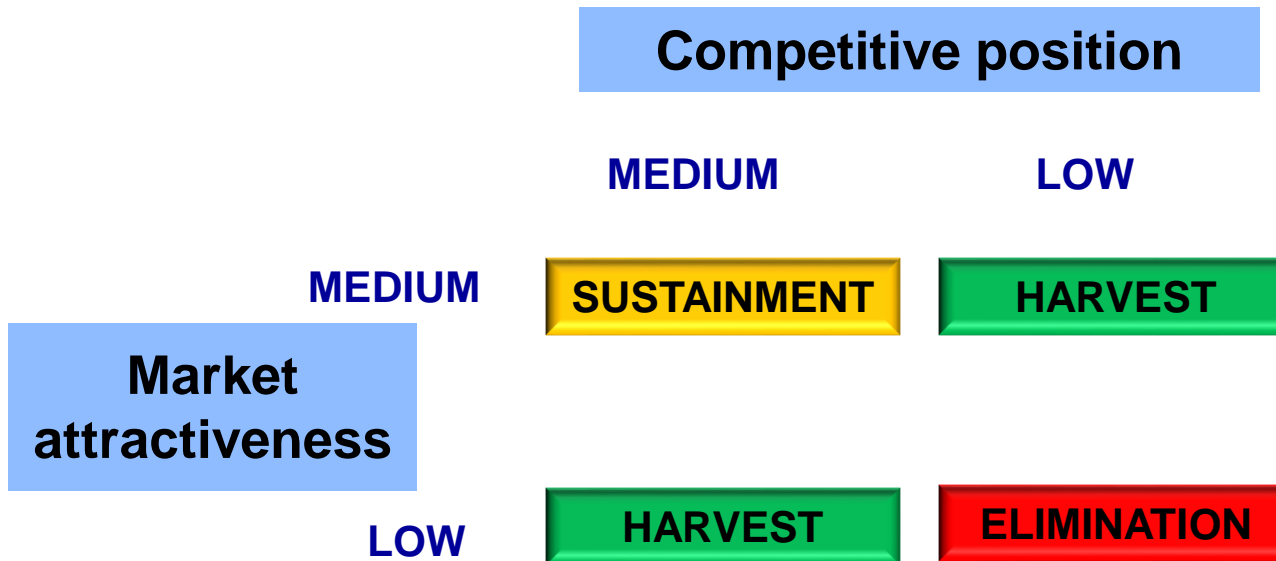
(Munuera y Rodríguez, 2007)



6.6. STRATEGIES OF MAINTENANCE AND DISINVESTMENT

6.6.2 STRATEGIES OF MAINTENANCE OR DISINVESTMENT

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(Munuera y Rodríguez, 2007)



PRINCIPLES OF MARKETING

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TOPIC 6: SETTING GOALS AND MARKETING STRATEGIES

Bibliography:

Vallet, T. (coord.); Estrada, M.; Fandos, J.C.; del Corte, V.; Vallet, I.; Casanova, E.; Vallet, A.; Gallart, V.; Monte, P. (2014): *Fundamentos de Marketing. Col.lecció Materials nº 383, Publicacions de la Universitat Jaume I, Chapter 8.*

Vallet, T. (coord.); Vallet, T.; Vallet, A.; Vallet, I.; Casanova, E.; del Corte, V.; Estrada, M.; Fandos, J.C.; Gallart, V.; Monte, P. (2015): *Fundamentos de Marketing. Col.lecció Sapientia nº XXX, Publicacions de la Universitat Jaume I. Chapter .*

