**Question no 03**

Determine the strategy followed by the organization (e.g. low cost, differentiation. Focus, best cost)

**Answer:**

**Low cost strategy**

Cost leadership strategy involves gaining a competitive advantage by lowering the cost. Cost leadership is the main generic strategy that Telenor uses in various consumer markets.

**How low cost strategy works**

Middle class consumers generally place high importance to the pricing factor and cost leadership is the best strategy to cater the needs of this consumer segment. Telenor focuses on affordability and easy accessibility of its produce across the globe, which leads towards high brand awareness and high sales growth and provides a strong competitive advantage basis. Other than charging low prices by lowering production cost and maximizing supply chain efficiency, Telenor frequently offers discounts and coupons to achieve sales targets and handle the competitive pressure by its closest rival.

**Differentiation strategy**

Differentiation is another most commonly used generic strategy to build a competitive advantage. Telenor uses differentiation in combination with the cost leadership strategy to achieve growth objectives.

**How** **Differentiation strategy works**

The adoption of differentiation as a secondary generic strategy allows Telenor to expand the customer base by emphasizing over the unique product features. For example, Telenor has extended its product line after studying the consumers’ changing interests to differentiate itself from competitors and expand the scope of opportunities within the industry. Through differentiation strategy, Telenor positions its product offerings in a way to stand out and be different from the available alternatives. Extensive experience, the oldest brand and strong presence in all over the world are some differentiation factors that are highlighted in the company's marketing and communication strategies.

Moreover, the company offers a wide variety of flavors to match the unique taste needs of consumers. It uses innovation as a tool to offer differentiated augmented services that may delight the customers and increase their preference of Telenor over other brand

**Focus strategy**

Focus is the third generic competitive strategy that encourages companies to concentrate their resources on expanding the narrowly targeted segments. When companies adopt the focus strategy, they serve particular market segments and base their competitive advantage on niche marketing.

**How focus strategy works**

Telenor adopts the focus strategy both in terms of low cost and offering the best value. The low-cost focus strategy is adopted by serving the needs of a niche market segment at the lowest possible price. While, best value focus strategy is adopted by emphasizing over the taste, size and design of the product that could best match the customers’ needs and requirements.

By focusing on product attributes, Telenor revises its branding strategies and brings continuous changes in the product designing and packaging to satisfy the customers’ psychological expectations and maximize value for money.

**Best cost strategy**

Best cost strategies deal with the development of new products or markets to accomplish corporate growth objectives. The multinational companies like Telenor consider these strategies to understand how to further penetration into existing markets is possible and how the customer base can be expanded through the market and/or product development. These growth strategies are depicted into the Ansoff’s product-market expansion grid, which includes four dimensions- market penetration, product development, market development and diversification. The choice of each best cost strategy is dependent on the level of competition, target market characteristics and unique organizational growth objectives