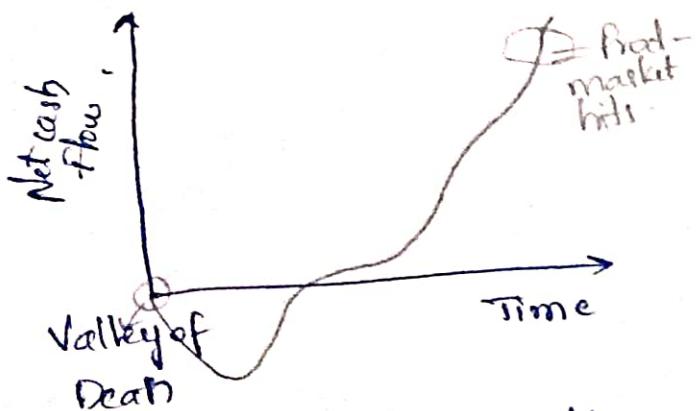


Affordable loss - changes from person to person.
" " of a person changes with time.

sk225

- how much affordable loss depends on how much a person investments { how much he can afford to lose }.
- More risky the proj - more returns investors claim.

Investing in Prods.



Valley of death - only spending money [only cash flow out]

Valley of death must be passed for to meet prod-market fit.

- Success rate of companies to pass Valley of death is < 10%.

Key Money Considerations

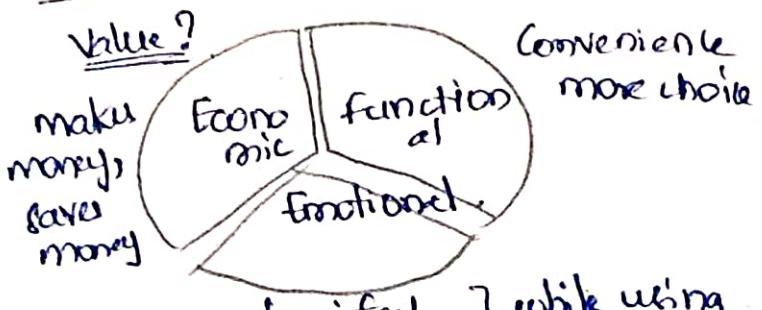
How do we make money today?

Can we make money faster?

What about tomorrow?

If we don't give an offer to investors, competitors will offer.

Product as a Value Exchange.



Value should be offered in at least one of these dimensions.

Eg: Amazon

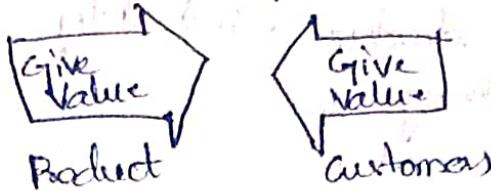
- 1) in-time delivery - functional
- 2) cheap - economic
- 3) Secure trans \rightarrow emotional
- 4) returns & refunds \rightarrow Economic
Cashbacks \rightarrow Emotional
functional

Eg: Instagram.

- 1) posts, likes - emotional.
- 2) money from ads - economic.

Time & accuracy - functional.
prevention of loss / saving money - economy.
protecting reputation of comp - emotional.

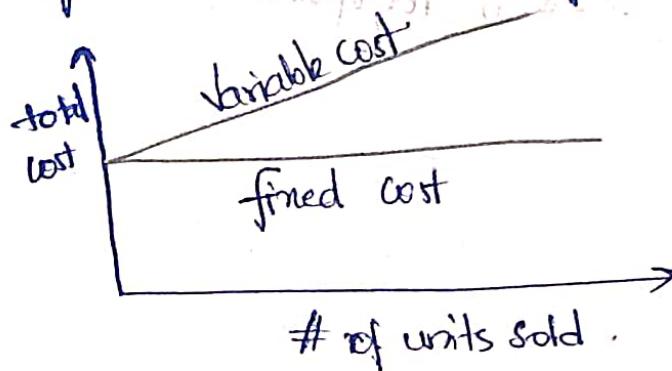
Value Exchange:



Costs:

Fixed vs Variable

↓
doesn't depend on eg: packaging,
no. of units sold delivery agents
eg: FMI salary.



Zappos.com MVP

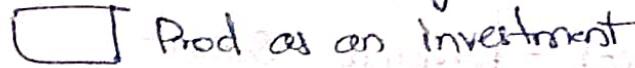
- Online shoe selling Comp.
- Nicki Finmerd.
- 5% of users are buying using catalogues - 2 B\$
- Inventory = fixed cost
- Zappos tied up to local shoes shop - like when we get order we'll buy it from you.
- Now Inventory became variable cost as they're pt paying only when they get an order.
- Started investing and they got a good number of customers.

Asset Light Model

airbnb } they pay for it
uber } only when they sell it.

9/12/2x

Value exchange



Porter's Generic Strategies

- 1) Cost Leadership 2) Differentiation 3) Focus

1) Cost leadership:

obj: to be lowest cost producer in industry.
benefits: low cost can improve margins or help offer lower prices.

eg: Amazon, Tio (at Ag time).

(elling out across the country)

2) Differentiation:

obj: to offer a unique product or service.

benefits: Makes it hard to copy.

eg: Airbnb.

3) Focus:

obj: focus on specific niche segments.

benefit: meets unique needs better than anyone else.

Q:

eg: Amazon in initial stages sent books mails to dev's. later thought abt other needs like reducing cost.

PESTLE Analysis

[Political — Economic — Social —
Technological — Legal — Environmental]

1. Political:

- what's country's political situation & how can it affect the industry.
- Geopolitics, Political divides, Policies.

2. Economic:

- prevalent economic factors
- Economic Growth
- Inflation
- Interest Rates
- Disposable Income.

3. Social:

- Social trends & its impact
- Cultural trends
- Demographics.

eg: Avg age of Indian ppl to buy house is 20-30s now while 30-40s earlier.

4. Technological:

- emerging tech trends & its effect on market
- Innovation
- Awareness.

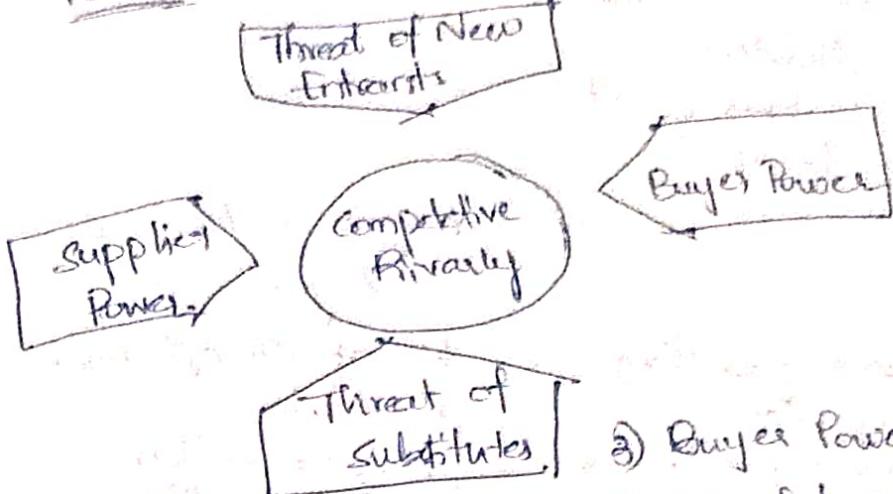
5. Legal:

- legal structure & is it likely to change
- Labour Safety
- Privacy
- Tax

6. Environmental:

- env concerns
- Sustainability
- Carbon footprint.

Porter's 5 Force Analysis



2) Supplier Power:

- # of suppliers
 - size "
 - uniqueness of supplier Prod
 - ability to substitute
- Supplier Power Prod

3) Threat of New Entrants:

- entry barriers
- Brand loyalty
- Capital req
- Policies
- Capabilities req - People / distribution / experience
- access to suppliers & distribution channels
- switching costs

- 1) Competitive Rivalry
 - # of competitors
 - industry trends
 - quality differences
 - switching costs
 - loyalty
 - Exit barriers

- 2) Buyer Power:
 - #, size of buyers
 - size of orders
 - are they organized
 - Price Sensitivity
 - switching cost
 - ability to Substitute
 - info available
- 3) Threat of Substitution
 - # of substitutes
 - relative price perf of substitutes
 - Perceived level of diff
 - switching costs

e.g.: Netflix Scenario for
5 force Analysis

(Next page).

Threat of New Entrants

- Easy to start - YouTube & cloud providers
- Scaling business could be hard

Bargaining Power of Suppliers

- media houses
- Film Prodt's houses
- Independent actors
- Tech Providers - data centers / CDN / storage

Rivalry among Existing Competitors

- Intense rivalry w/ Block Content at its heart
- OTT platforms (Amazon Prime, Apple TV, YouTube)
- Traditional TV channels

Bargaining Power of Buyers

- lot of other options & substitutes
- easy to switch
- Price sensitive
- diff demographics need diff content

Threat of Substitute Products/Services

- Social media
- Sleep
- Social life & parties
- Reading - Gaming
- Related Content
- Hobbies, Sports
- Theatre, Performing

independent actors who want something exclusive & new

sports entertainment - can we partner w/ substitutes to create high quality content?

High Quality Exclusive Content

Product Categories:

16/2/25

- Thirsty?
- Personal Data storage?
 - punch card → magnetic drums
 - tape → hard drives →
 - Floppy disks → compact disks & DVD's (Optical drives)
 - Pendrive → cloud →
(USB sticks) (public)
- Private cloud (Connecting to router).

What are the dimensions along which industry has evolved?

- more storage on smaller device.
- storage density increases
- less physical space
- Compaction.
- More accessibility.
- cost.

• Dimension for Ecommerce

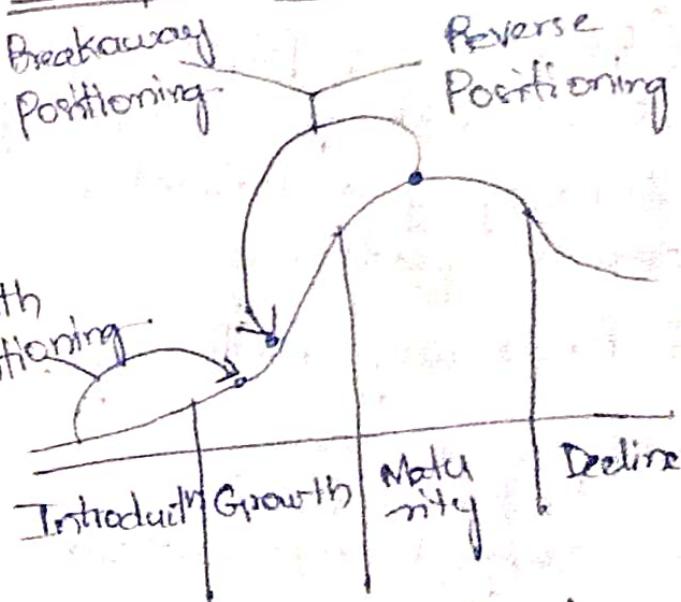
- Delivery speed
- Warehousing
- quick commerce.
- Payment Process
- availability in online
- Cross border commerce

• Marketing partnerships.

- Laptops
- slim design
- Power Performance
- Processing Power
- Storage
- weight
- battery life
- Screen size

- Latent Dimensions
- (VIO -Sony for better audio, Vision, colour)
- Category Evolution.
- Standard category Dimensions.
- Latent Dimensions.

Disruptive positioning.



— when category is in maturity stage better to rejuvenate growth than to decline. (dig in ppt class 4)

1. Intro - Validate Problem, demand, Value Proposition & design

2. Growth - cust acquisition & prod adopt?, introduce new Prod

3. Maturity - Reduce costs, extend maturity Period, develop growth initiatives to Maturity

4. Decline - maximize profits, migrate cust to other initiatives, "Sunset Product"

i. Reverse Positioning (2)

eg: Indian airlines

- strip away (take away all extra comforts)
- Just retain the core.

eg: deccan airlines (from hyd - blr)

2500- only for seat & extra money for comforts.

then ppl travelling in train choose to take flight
(beoz 5000/- flight ticket is available for 2500/- only)
4 category is Matured i
reverse positioning.

ii. Breakaway Positioning (↗)

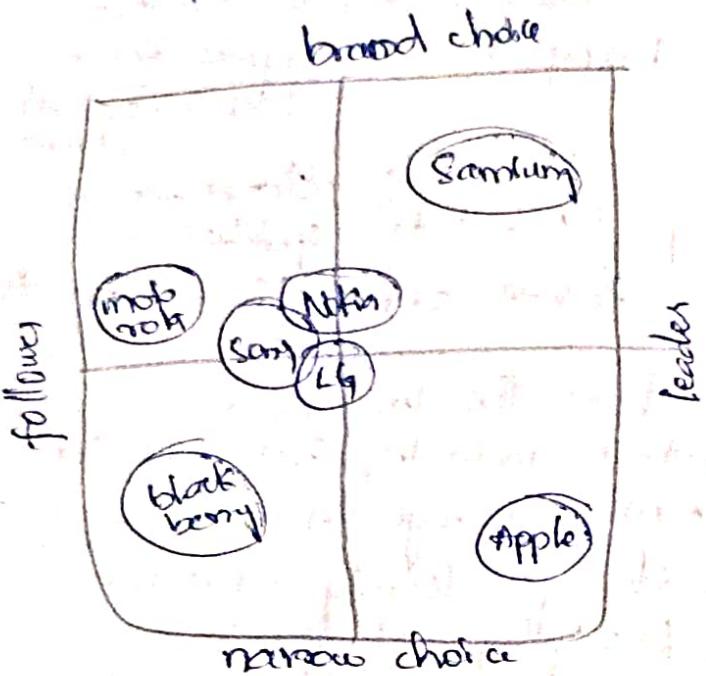
eg: Candle industry

- add few ingredients (essential oils).
- Make a new category (Aroma therapy)

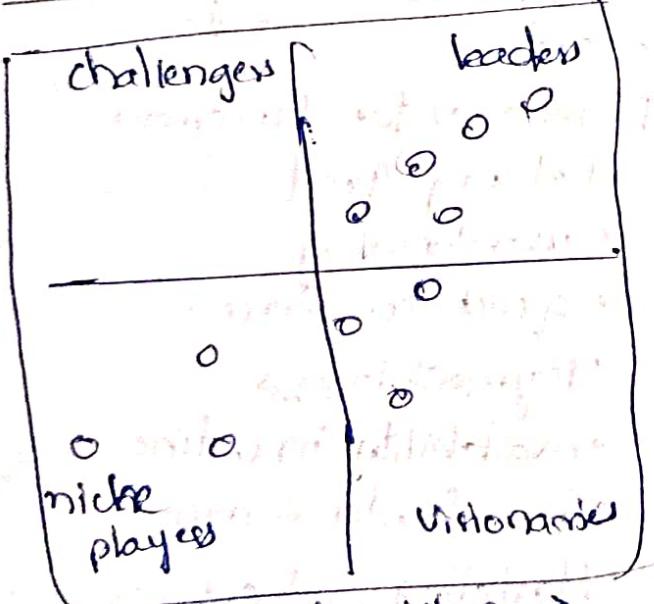
eg: oversized in fashion

Co-operation - Co-operative competition

1. Perceptual maps - Competitive positioning of cell phone brands.

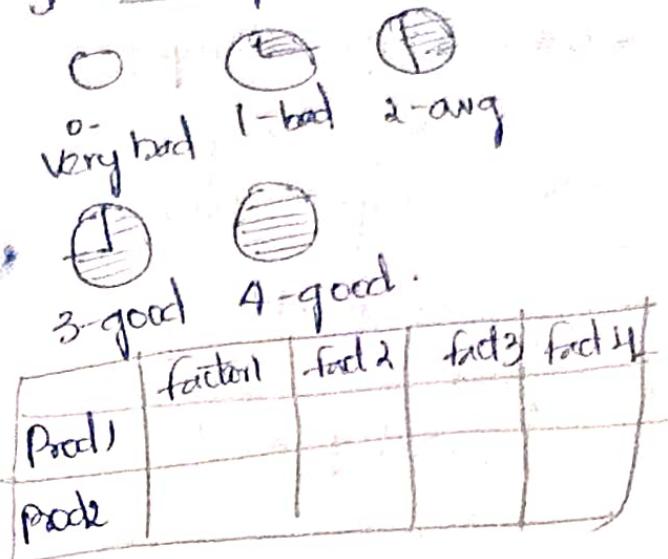


g. Gartner magic Quadrant



Approach:

3. Harvey Ball Form



4. Heat Map:

Brand	Innovation	Der's Rabtity	Sel' ction	Price
1	5	5	2	2
2	4	3	4	5
3	3	3	3	1
4	2	2	1	3

5 - dark green
4 - light green
3 - yellow
2 - orange.

- multi Dimension map.

- 7 colours.

Q: Toyota vs Maruti

Suzuki baleno & toyota glanza
are same cars. - but.

still they advertising combinedly.

aren't they competitors?

- willing to share Hybrid tech?

Reason: Because of brand

perso perception - one is

known for small cars one
is fer tech.

- Combined advantage for both toyota & maruti.
eg: I'll give you tech - says toyota
I won't invest in dev new
car for particular market -
says maruti/maruti

- sharing of hybrid tech.

combine tech adv.

- tech flow from toyota

- maruti has factories.

- so both can win.

eg2: Tata & mahindra
investing in EV's.

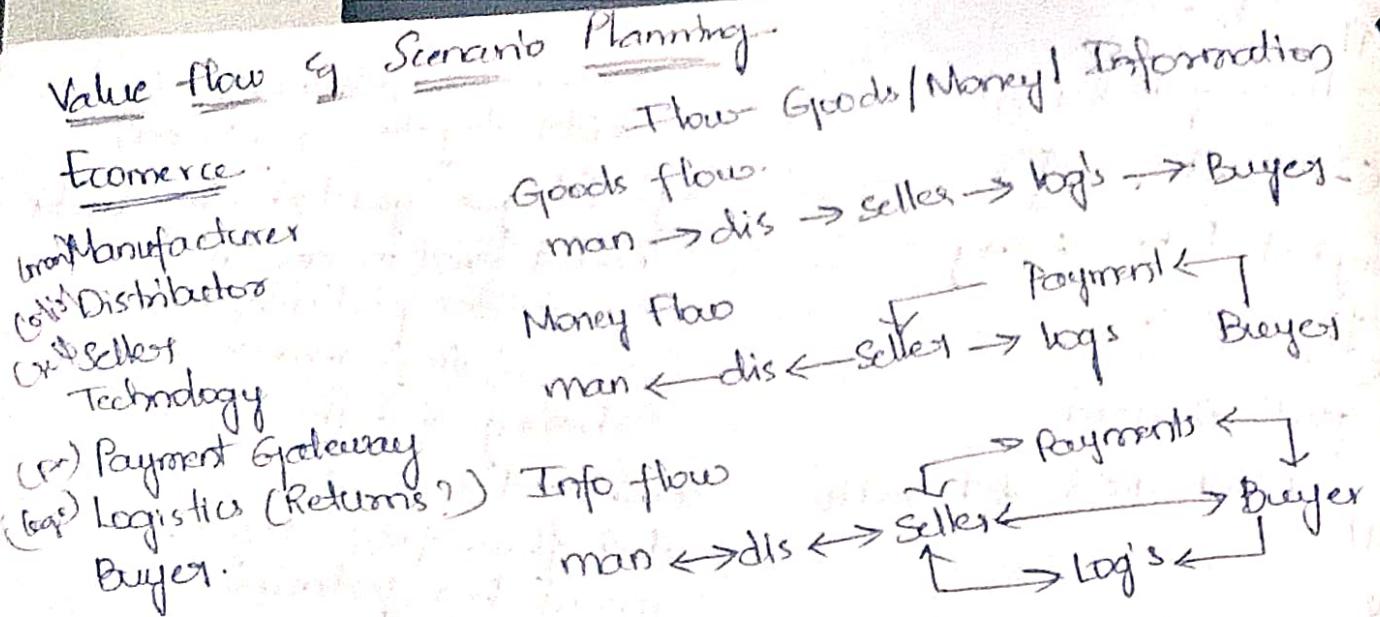
- also strengthens & power of
one category & govt.

eg3: MS & Google

Safari is the default search
engine
Though they're competing on
some elements, co-operating
on other elements.

eg4: Samsung supplying
screens for iPhone 15.

Value flow & Scenario Planning



if someone is making less money

after you bring out your product,

what value are they getting in return?

when you take an action

how will other players in the ecosystem, including

competitors, react?

• what do they stand to lose/gain today?

• what is the implication of this loss/gain on tomorrow?

• How critical is the loss/gain?

23/02/25

Limiting factors

• People & Resources

- knowledge / capability
- financial resources
- Technology

e.g.: Need showroom of market marchi & for all premium offerings
[10L cars]

• Market Perception

- Track Record
- Presence

Kidzabi - started by Marchi in 2021, but people don't want to buy it. In 2022, it's from Marchi & same showroom for all cars.
(3L - 20L)

So, they made Nekta

Q2: Toyota (15%)

solutions

they wanted innova to be bought from car owners & taxi drivers.

- so they made separate section for Yellow section and white section (for white) (for taxi's)
owner like premium section.

- Targetting - European Enterprise Market

Limitations arise (though if you're strong in 1 country)

- GDPR

- Car size-Demographics

- presence of physical market

- Currencies.

- PESTLE

Political, Economic, Social, Technological, Legal, Environment.

e.g: UBER [whenever they comes to new city, there's a lot of restrictions from taxi's driver unions]

- Organization

- culture, -structure

e.g: Kodak [they invented digital camera's in 1975, but digital camera's put their business back]

- resistance to change

[can't carry & shd wait 20 min, mainly forward

- Bias (ego)

Film on printing photocopies]

e.g: BlockBuster

90's 3 types of watching movies

- theatre

- TV

- Vedio cassette.

- Blockbuster didn't change its structure.

⇒ Blockbuster is for renting this cassette's, then Netflix came saying that you can subscribe we can send cassette & put back cassette.

Bottom line?

Honest Assessment
of
what can hold you back.

eg: Kodak can say I
don't know digital tech/cam
works

Multippliers

$$1+1 > 2$$

- typical multipliers

- scale & efficiency \rightarrow scale
efficiency \downarrow cost

Selling more, things are
cheaper

- Platform

eg: Amazon's revenue is
more from advertising

\$11y Google \downarrow (94B\$)
(50-60 B\$)

- Ecosystem

eg: Google, Microsoft
(MSIE365)

- customer acquisition +

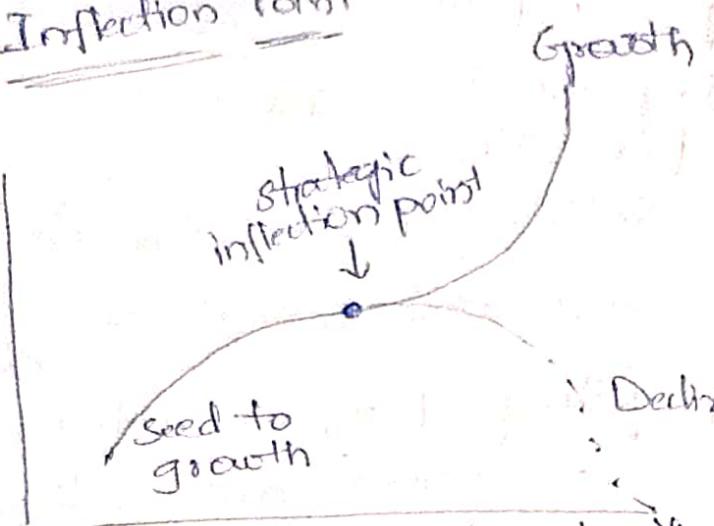
Retention

eg: IPL teams \rightarrow you don't
have to win, you just
perform & engage engage

eg: Ousmane Dembele \rightarrow & finds players
nurture them
& sell

eg: Schools \rightarrow Magic
(placements, admission,
academic excellence)

Inflection Point



an event that results in significant
change in Progress of a Comp, Indus,
Sector, economy or geopolitical situation
- A turning point - +ve / -ve

Drivers

- Technological disruption
- Market shifts
- Economic trends
- Regulatory change

eg: IoT soil moisture
sensors in Agriculture
(lack of connectivity,
internet, high costs)

eg: Apple - June 2017
Android - Sept 2008

- Apps in phone
 - Internet
 - Comp miniaturization
- caused
infection
boom

Inflection Key factors for
Netflix

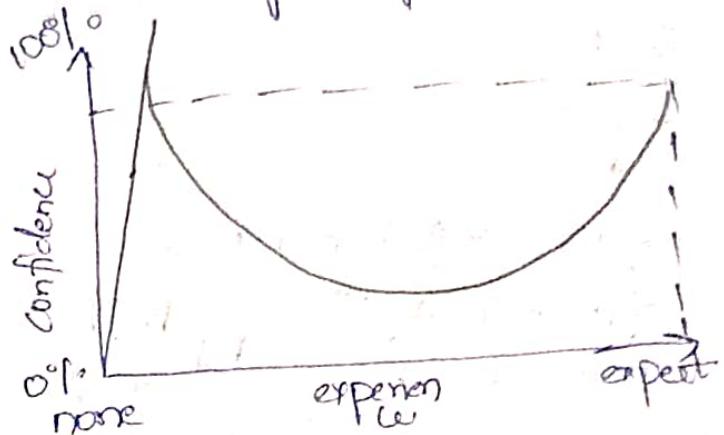
- Internet
- Compatibility w/ devices
- bandwidth & infrastructure
- Content

Bias

1. Overconfidence Bias

- being overly optimistic abt how right they are

Dunning-Kruger effect



unskilled & unaware of it:
have difficulties in recognizing
one's own incompetence lead to
inflated self outages

2. Confirmation Bias

tendency to seek, interpret &
recall info that confirm
existing beliefs

Birds aren't real: it says that
birds were replaced by surveillance
drones controlled by govt to
spy on people.

& he says when birds are
sitting on electric wire,
they are recharging.

movie: Social Dilemma

3. Sunk Cost Bias

increased commitment to a
previous decision despite
negative info.
eg: though it's bad, we try to
do it to optimize past
investments.

eg: going to a 50-50
review movie as we bought
ticket already &
comes back to worse
headache (n/v)

4. Groupthink

when a group of people
makes irrational / non-optimal
decisions due to pressure to
conform.

HIPPO - Highest Paid
Person Opinion

Other bias

Availability

Self Service

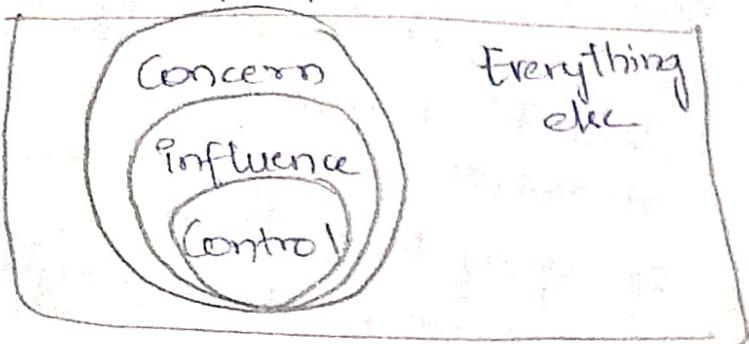
Representative Bias

Impact of Luck

Mar 21/25

If I succeed, it's hardwork
If not, bad luck

Control / influence / Concern



when concerns are growing,
try to grow sphere of
influence & control.

Q: OMI foundation

Ola mobility Institute.

Renewable energy...etc.

→ Comes under concern.

Luck is when -

Preparation meets opportunity.

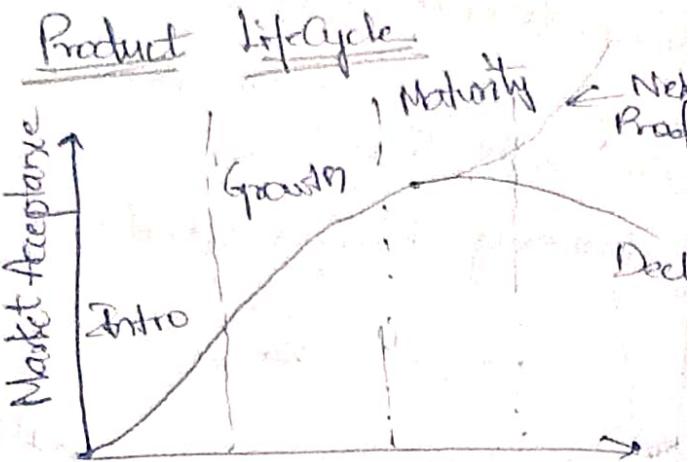
(Total competition book by
Ross Dawson)

Luck Surface area (LSA)

extent to which an individual
exposes themselves to opportunities
for serendipity, chance encounters,
and fortunate outcomes.

Increase LSA

- Network & relationships
- knowledge & skill
- Curiosity & exploration
- Persistence & resilience
- embrace Serendipity



- If you can't find next prod
after maturity then profit
decline prod. → By Gary

3 dimensions of Growth

Rate, Direction, Method.

1. a way to grow. (getting back)
2. direction to grow (returns)
3. method of grow
(build yourself, partner,
buy & acquire something).

* If we don't know limiting
factors, we aren't going
to grow.

Directn:

Risk Profile

Ansoff's Matrix

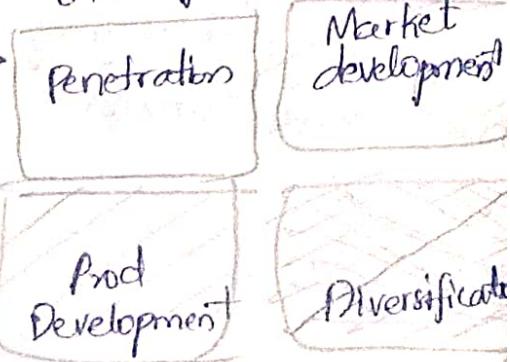
Growth

market
framing

New

Product
exist

New



High Risk Medium Risk Low Risk

eg: instamart: Prod Dev.
[user needs are same
but prod is in diff]

1. Market Penetration

- Penetration

(what % of users tried
our prod?)

- Loyalty (do i use any other off)

(do they stay after
trying our prod?)

- Frequency (keep coming back)

(How often do they use
our prod?)

- Quantity.

(Can i get to use it more?
(time, money, Volume))

[eg: toothpaste mouth]

discounts on ecommerce for
buying more.

at, Uber initial launch they said
sign up & get 20\$ off.

- gives a coupon code & share it
to friends (5 mem)

- when friends use it then we'll
get \$200 off.

- This increases user loyalty
(using user 5 times)

- ↑ penetration
(5 more persons using
prod).

increasing penetration

eg 2:
Zoom has free Pro
Business

eg 3: Axe Perfume.

- The axe effect

(advertised using an avg
looking man spraying all over
his body)

[instead of 2 pumps]

- ↑ Quantity.

- n n leading to
↑ frequency of purchase

eg 4:

whatsapp - 3 dots appearing
when others typing.

- ↑ Quantity.

[amt of time they spent
on time increased].

eg 5:

Tata Neo Rewards [credit card].
Use rewards to buy on platform
to get discounts & rewards)

- ↑ Loyalty.

eg 6:

Apple Airpods.

- Prod development
[mostly apple users buy it
(existing users) c new
prod].

- Broad Loyalty lead to
success of apple airpods.

- Easy transition b/w all
apple airpods.

Eg 7: Microsoft (keep buying same broad products)
leverage curr equity to launch new prod.

Eg 8: Tesla wants to launch in India — Market dev [existing prod in new market] (much riskier).
Can Tesla take US cars & sell it India? No.
Roads are diff; fuel efficiency.

\$ Palleo car launched in India but no successful bcoz of fuel efficiency.
But Palleo was successful in Brazil — Brazil is also a developing country just like India.

Auto meter — measures distance based tire turns (for 1 turn it calculates 1 km).
So, Palleo didn't reconsider Auto meter.

Eg 9: Uber in US is peer-to-peer (car pooling) which is illegal in India as they don't have side serving registration.

Eg 10: OLA e-scooter
— Diversification
— They didn't have any exp in dev e-scooters
— High Risk.

Eg 11: Tata NEXON EV

Effo
NEXON EV vs Flazzier
Prod Dev

Eg 12: Amazon advertising [Selling advertising]

[Related Diversification] other prod for
— New Prod (no adv)

Related Diversification

Aws:
New Prod, new market
Unrelated Diversification

Diversification: 12 types).

Related Unrelated

→ Risk:

Growing methods —
Backward / forward Integration

of methods:
1. Build (do from scratch)
2. Acquire (acquire existing comp)
3. Partner.

Front Integration — gaining control of later steps like getting closer to distribution / sales

Back Inte — going control of earliest steps, like material Prod / Supply

- eg: Apple's own retail stores.
 - Bwd Integratn
- eg: Nykaa's own dresses
 - Bwd Integratn
- eg: Apple making their own chips
 - Bwd Integrations.
- eg: Netflix - House of Cards (TV show).
 - Politici related show
 - 1st show Netflix produced
 - Bwd Integratn.
 - Original Content.
- eg: Amazon Prime acquiring MGM studio's.
 - Bwd Integratn.
 - MGM produced James Bond movies.
- eg: Tikkotstar.
 - Partnering
 - Bwd Integratn.
- eg: Reliance.
 - main broad retail +
 - acquiring petrochemicals.
 - produced petrochemical machines & fabric
 - Bwd Integratn.
- Build.
- Acquiring
- market growth rate
- relative market share
- BCG Matrix -
Portfolio management
-
- ? → A → Stars
 B → Dogs
 Cash Cows.

- You might be a star from qfn mark (or) dog from qfn mark.
- cash cows = after becoming stars & slowing down.

eg: Tomato & Surgery
 delivery charges bnt ppl are still buying it.

Prod Sunsets:

-eg: Zomato legends shutting down.

Considerations for shutting down

- Relationships
- legal & contractual
- Path forward
- Lead Time
- Communication
- Learnings

* Make sure to drive your cust to new prod before shutting a Prod

Mar 9th, 25

eg: a household appliances comp has offline stores like Croma.

Now its offering a package to one appliance + plumber to install in an E-system in

4 Zip-codes & they succeeded. Now they want to scale it (ways)

Penetratn can be possible.

Market dev [talking to new Zip-codes].

Prod-dev [more prods can be added in same Zip-codes as one plumber can do installation for many products].

[Can scale plumber, carpenter]. New categories can be added.

Positioning & Branding.

Why Branding?

- Billing Power
- Distribution Power
- Other

"Positioning is not what you do to the product; it's what you do to the mind of the prospect."

- Al Ries & Jack Trout.

eg: Surf Excel

(Dirt is good campaign)

Target audience - Mothers of growing kids; Busy households.

Position: Let kids play -- we'll take care of Dirt.

- 10 yrs ago, marketing

In Uniliver

In India

2 brands

- Surf Excel

- Rin.

In UK:

2 brands

- Persil

- Surf Excel

same advertisement as there premium brands.

→ dirt is good advertisement

Ex2: sheer Driving Pleasure

BMW (tagline & position
people trying
to occupy in prospects
mind).

Germany's Volkswagen (people car).

- BMW keeps battery in boot rather than bonnet.
- As weight of car is more in front, BMW wants to distribute weight equally, so they moved battery to boot.
- and BMW took power to back - for some reason.
 [front wheel - for steering,
rear wheel - for power]

Ex3: Apple

- Design - UX.
- Quality
- Privacy & Security
- Premium.

Positioning statement

To: highly connected, fast-paced ppl who are frustrated by annoying complexities of tech.

Apple is the consumer electronics brand (category)

That: simplifies tech to help you feel smarter, so you can do more w/ every device.

That's because: we start (support points)

Template for Positioning:

for target audience >
Who & face the problem?
(your brand) provides
<benefit over your competition>
Because (reasons why target audience believe you)

Origins of Brand:

- [moat: Bassin - A elastic word]
- started in 80's when Country's started logo's on cattle.

Essence of Branding:

Make a Promise & keep the promise

- If focus is diff, what we measure to be is diff to
- In Prod Life cycle

Pirate Metrics

AAARRR!!! examples

Awareness (Zoom browser)

Acquisition (when we walk into website or user)

Activation (activating users)

Revenue

Retention (keeping customers)

Referral

Ex: BMW giving 5 series to we when 3 Series user care is not available --

Ex: Zoom giving free 10-min trial acc.