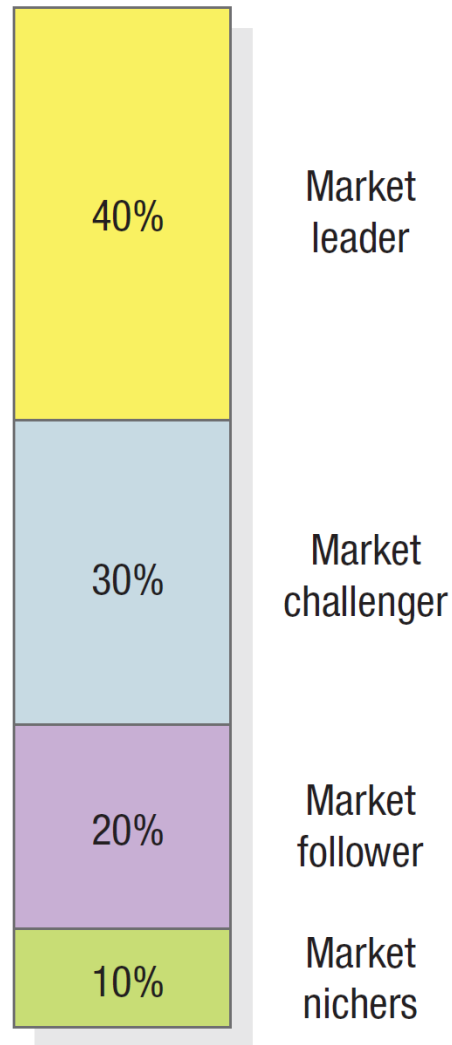


Competitive Dynamics

MG 401

Hypothetical Market Structure



Market Leader's Strategies

- Expanding the Total Market
 - New Customers
 - More Usage

Ketchup Industry in India

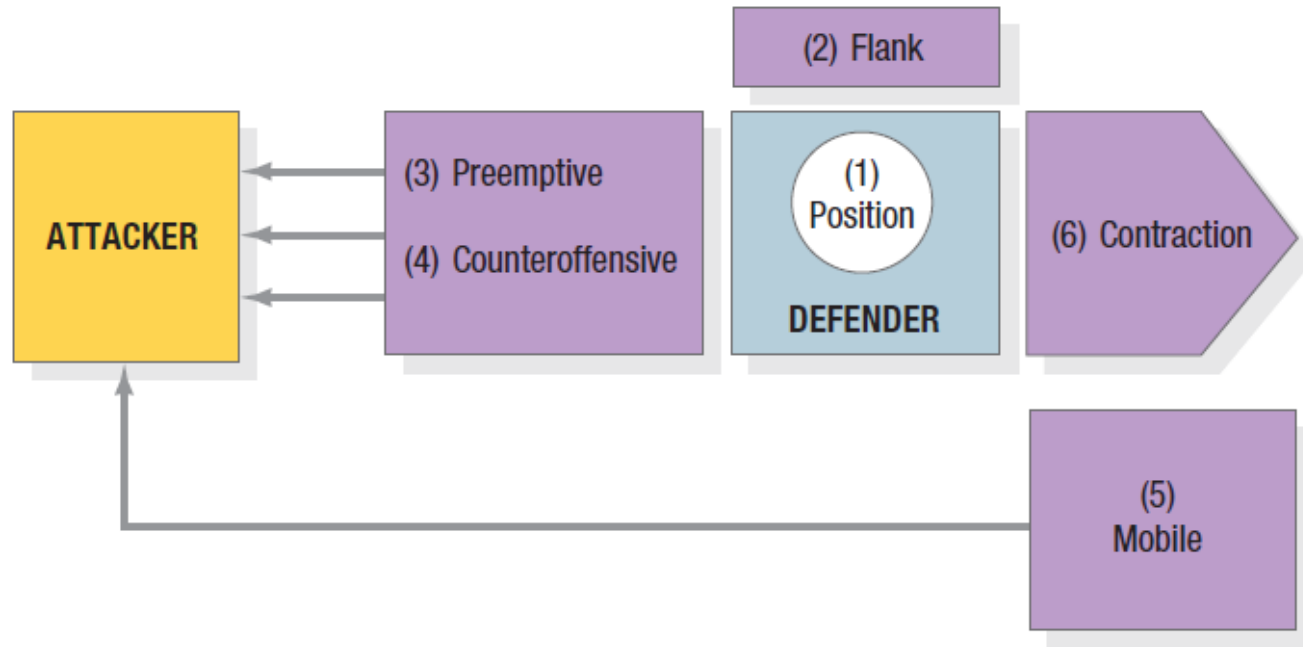


More Usage

- Additional opportunities to use the brand
- New ways to use a brand

Protecting Market Share

- Types of Defensive Strategies



Market Challenger Strategies

- Define the strategic objective and opponents
 - Attack the Market Leader
 - Attack firms of same size
 - Attack firms of smaller size
- Choose a general attack strategy
- Choose a specific attack strategy

General Attack Strategies

1. Frontal attack

- Helene Curtis' low-price strategy when @ 1% MS
- Strategy: imitate high priced brands but sell at half price
- Suave: launched in 1973 with aggressive pricing
- Result: 1976: 16% MS; > P&G's H&S

2. Flank attack

- Beer industry 1970s. Miller "discovered" light beer segment: aggressively pursued new market
- Market Position: from 7th -> 2nd in 5 years

3. Encirclement attack (wide slice of territory by launching a grand offensive on several fronts)

- Sun Microsystems licensing its Java s/w to hundreds of companies and thousands of s/w developers for all sorts of consumer devices (which went digital)

4. Bypass attack

- Pepsi bypassing Coke – Aquafina, Tropicana (twice as much MS of Minute Maid)
- Technological Leapfrogging – Google taking over Yahoo!

5. Guerilla warfare (Small, intermittent attacks)



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Dove
There is no mystery.
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After all, winning is about winning hearts.

Available in Pantene and Dove
*From data of hair care product sales in India of 2008-2009 by NPD Group

www.dove.in

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BARAT CHANDIA

Specific Attack Strategies

- Price discounts
- Lower-priced goods
- Value-priced goods
- Prestige goods
- Product proliferation
- Product innovation
- Improved services
- Distribution innovation
- Manufacturing-cost reduction
- Intensive advertising promotion

Market Follower Strategies

- **Counterfeiter**
 - Apple, Rolex selling in the black market
- **Cloner (emulates with slight variations)**
 - Balaji Wafers, me-too brands
- **Imitator (Copies but differentiates)**
 - Fernandez Pujals took Domino's Home Delivery idea from Florida to Spain and now to Latin America and Europe
- **Adapter (takes leader's products and improvises)**

Market Nicher Strategies

Nichers have three tasks:

- Creating niches
- Expanding niches
- Protecting niches