**Competing at Different Levels**

**Developed Countries**

* **Augmented Level:**
  + In developed countries, companies often compete at the **augmented product level**. This means they focus on adding extra features, benefits, and services to exceed customer expectations.
  + **Branding & Positioning:** Companies invest heavily in branding and positioning to differentiate their products from competitors. This includes superior quality, advanced technology, exceptional customer service, and other value-added features.

**Developing Countries**

* **Expected Product Level:**
  + In developing countries, competition often takes place at the **expected product level**. Here, the focus is on meeting the basic expectations of customers.
  + **Essential Features:** Products are designed to fulfill the fundamental needs and expectations, such as reliability, affordability, and basic functionality. The emphasis is on delivering value through essential features rather than additional augmentations.

**Important Points Related to Product Augmentation Strategies**

1. **Each Augmentation Adds Costs:**
   * Adding extra features, benefits, or services (product augmentation) increases the production and marketing costs. Companies need to carefully balance the added value with the additional costs to ensure profitability.
2. **Augmented Benefits Become Expected Benefits (Necessary POPs):**
   * Over time, features that were once considered augmentations can become standard expectations (Points of Parity, or POPs) for customers. This means that what was once a differentiating factor becomes a basic requirement.
   * Example: Free shipping and returns were once seen as added benefits but are now often expected by consumers when shopping online.
3. **Price Adjustments and Market Segmentation:**
   * As companies enhance their products and raise prices to reflect the added value, some firms may choose to offer simpler, stripped-down versions of their products at lower costs to cater to more price-sensitive segments.
   * This strategy allows companies to serve different market segments, offering high-end, feature-rich products for premium customers while providing basic, affordable options for budget-conscious consumers.
   * For Example, Apple had made the camera lenses bigger in the latest model of iphones (which is an added feature) ,so they are offering their these premium products at huge prices , while on the other hand companies like Xioami and Realme are offering their product at low cost because they did not add any extra feature, their phones just consist of basic or expected features.