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Market Strategy

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Why Market Strategy?

The strategy framework classifies markets into five types, each having specific strategies

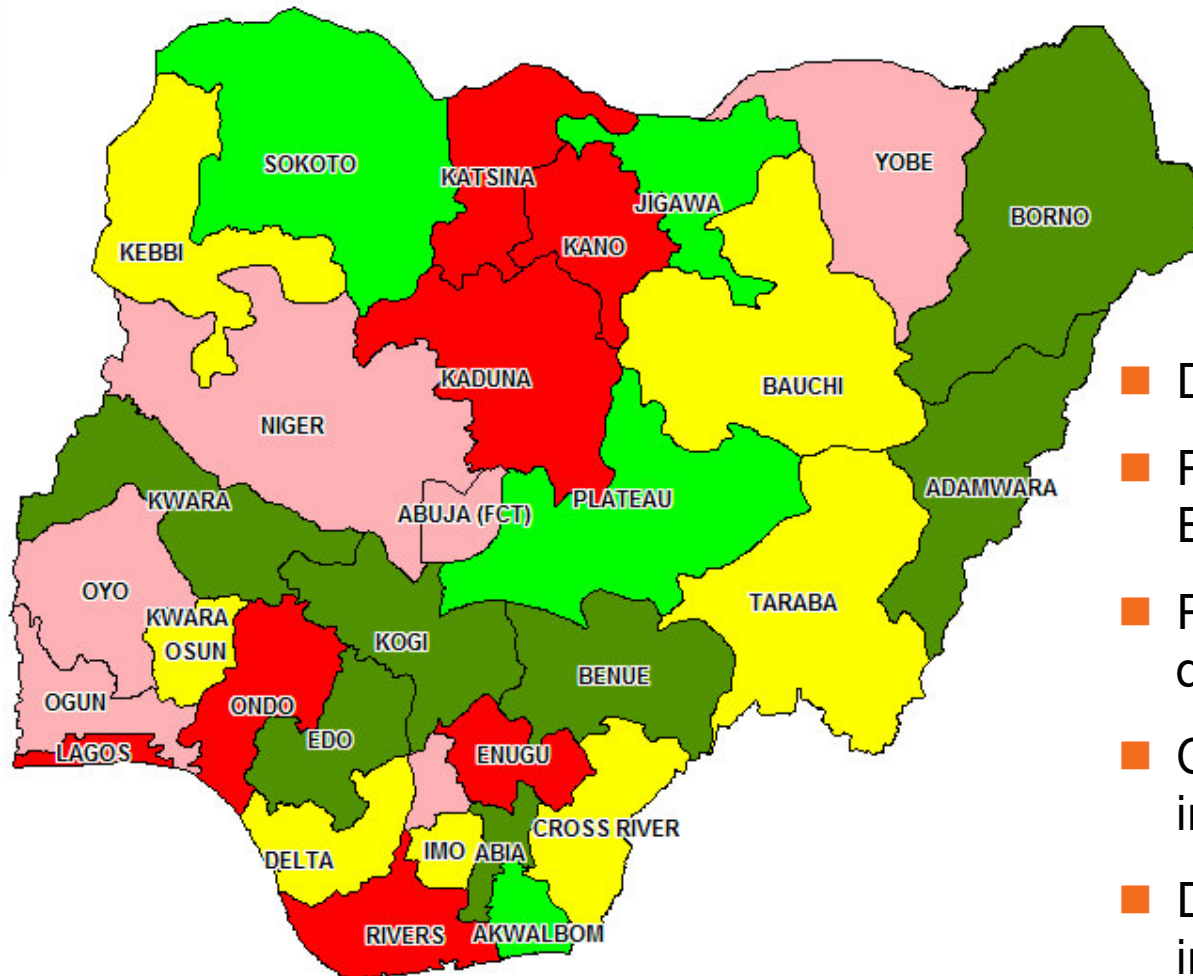
Market Attractiveness	High	<p style="text-align: center;"><u>Grow</u></p> <p style="text-align: center;"><i>‘Build Selectively’</i></p> <ul style="list-style-type: none"> • Specialize around limited strengths • Seek ways to overcome weakness • Withdraw if indications of sustainable growth are lacking 	<p style="text-align: center;"><u>Strengthen</u></p> <p style="text-align: center;"><i>‘Invest to Build’</i></p> <ul style="list-style-type: none"> • Challenge for leadership • Build selectively on strengths • Reinforce vulnerable areas 	<p style="text-align: center;"><u>Defend</u></p> <p style="text-align: center;"><i>‘Protect Position’</i></p> <ul style="list-style-type: none"> • Invest to grow at maximum digestible rate • Concentrate effort on maintaining strength
	Med.	<p style="text-align: center;"><u>Grow</u></p> <p style="text-align: center;"><i>‘Limited Expansion or Harvest’</i></p> <ul style="list-style-type: none"> • Look for ways to expand without high risk: otherwise, minimize investment and rationalize operations 	<p style="text-align: center;"><u>Strengthen</u></p> <p style="text-align: center;"><i>‘Selectivity/Manage for Earnings’</i></p> <ul style="list-style-type: none"> • Protect existing program • Concentrate investments in segments where profitability is good and risks are relatively low 	<p style="text-align: center;"><u>Hold</u></p> <p style="text-align: center;"><i>‘Build Selectively’</i></p> <ul style="list-style-type: none"> • Invest heavily in most attractive segments • Build up ability to counter competition • Emphasize profitability by raising productivity
	Low	<p style="text-align: center;"><u>Restructure</u></p> <p style="text-align: center;"><i>‘Divest’</i></p> <ul style="list-style-type: none"> • Sell at time that will maximize cash value • Cut fixed costs and avoid investment meantime 	<p style="text-align: center;"><u>Restructure</u></p> <p style="text-align: center;"><i>‘Manage for Earning’</i></p> <ul style="list-style-type: none"> • Protect position in most profitable segments • Upgrade product line • Minimize Investment 	<p style="text-align: center;"><u>Hold</u></p> <p style="text-align: center;"><i>‘Protect & Refocus’</i></p> <ul style="list-style-type: none"> • Manage for current earnings • Concentrate on attractive segments • Defend strengths
	Weak		Mid	Strong
			Position	

(Source Philip Kotler: Marketing Management)

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Market Attractiveness

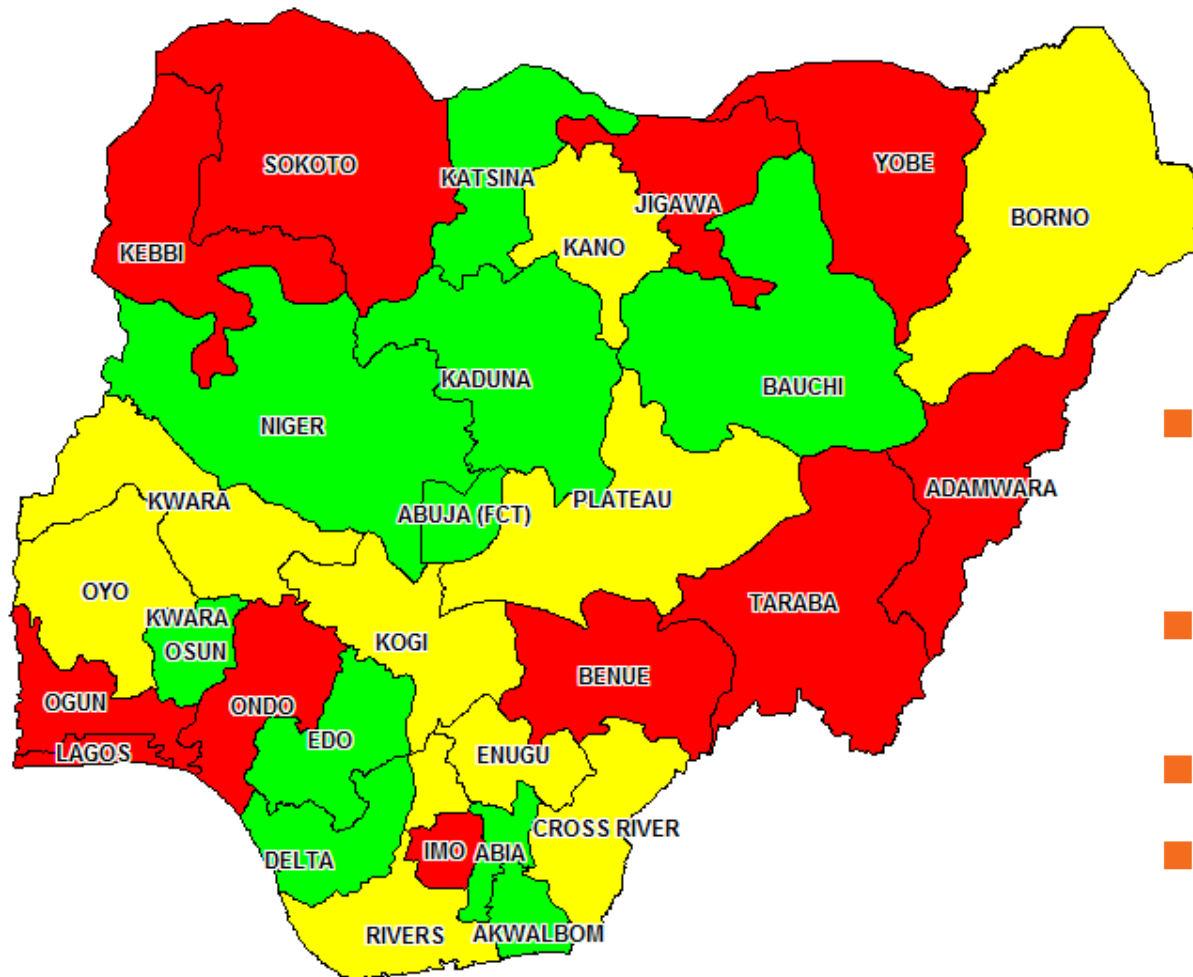
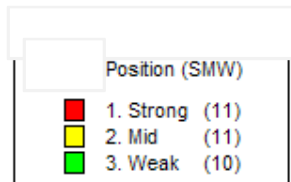


- Demand
- Political and Economic risk
- Population density
- Competitive intensity
- Disposable income

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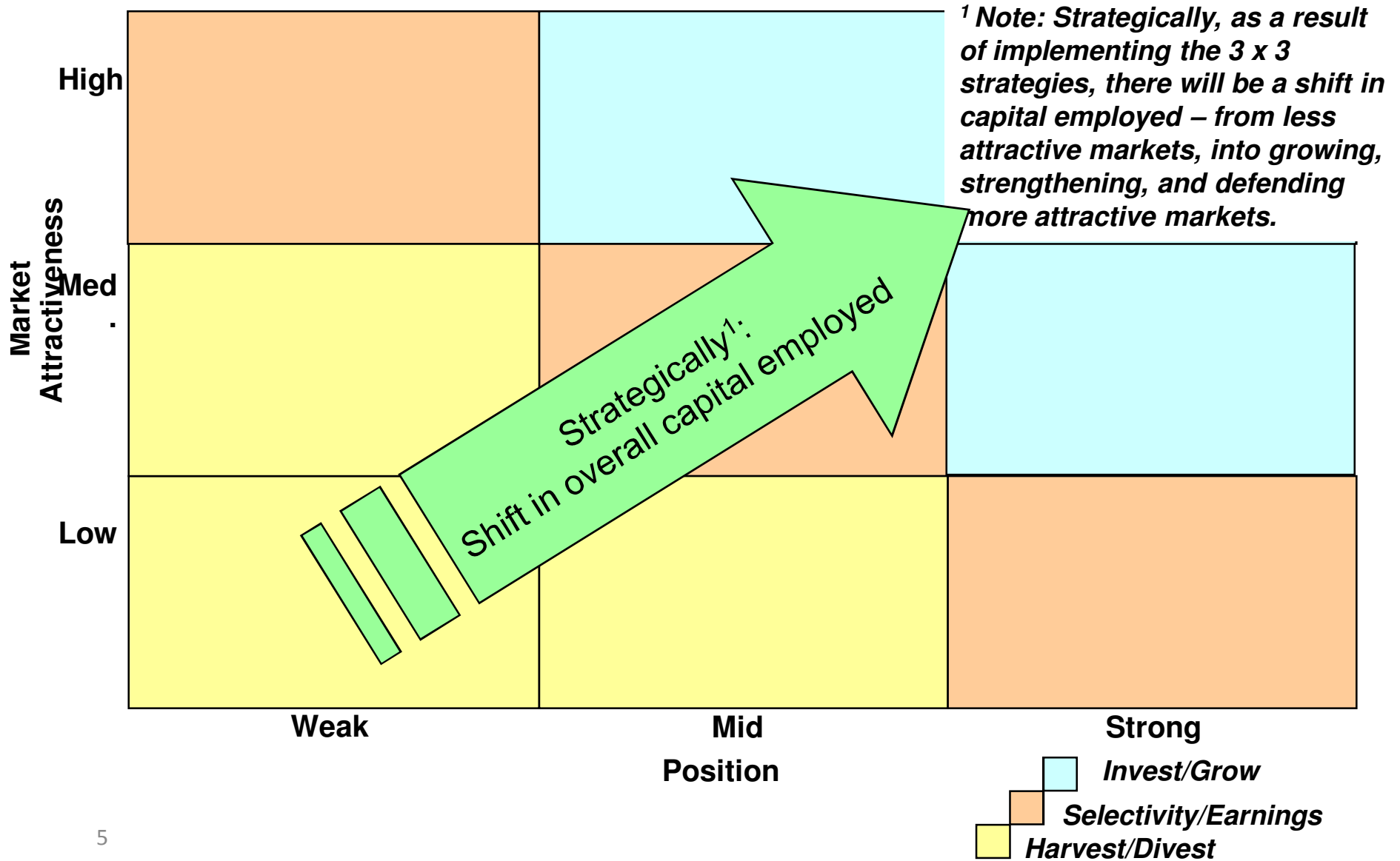
Company Position



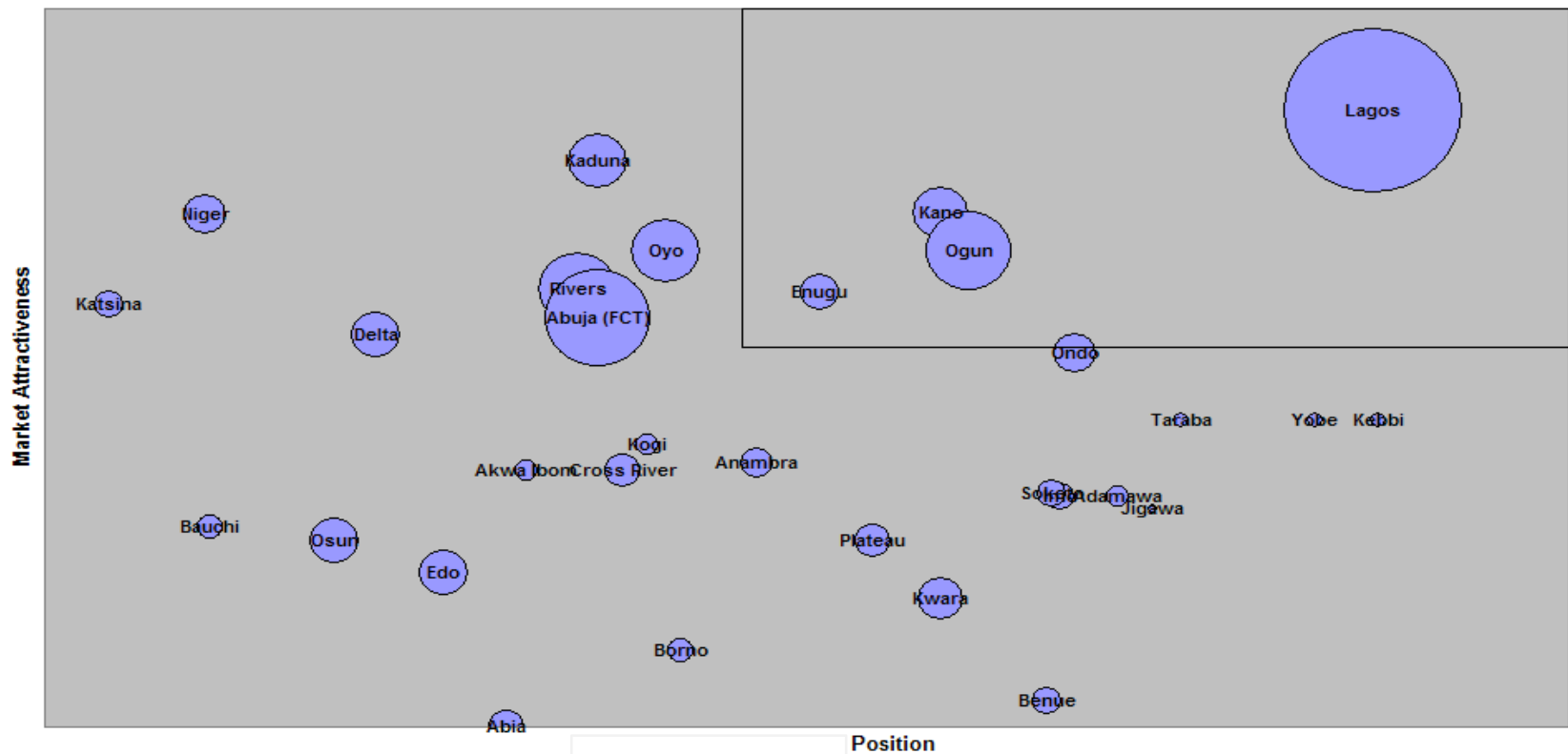
- Relative position to market leader
- Market effectiveness
- Sales Share
- NOPAT outlook

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Market Attractiveness Vs. Company Position



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Model Strategy

