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- Has uploaded over 3000+ educational videos for CA Foundation and CA Inter students
- Known for his dynamic, conceptual and “fun-and-learn” teaching style
- Guided thousands of students across India to success in CA exams
- Strong academic background with B.Com (BMCC, Pune) and ACA qualification
- Widely appreciated for his clarity, energy, and practical approach to law subjects
- Through Shikshadwar, offers comprehensive classes, books, tests, and mentorship to CA students



CAADARSHJOSHI



CA DARSHAN JAIN

CA , CS , LLB , DISA , DIRM , B.COM

CO FOUNDER

- Chartered Accountant by profession & educator by passion
- Teaching Financial Accounting , Financial Management & Strategic Management to CA Students For 12 Years.
- Practicing Chartered Accountant For Past 13 years in The Field of Audit , Direct & Indirect Taxes & Management Consultancy
- Elected as Convenor of The Jalna CA CPE Chapter of WIRC of ICAI For 2 consecutive years 20-21 & 21-22.
- He Has Successfully Completed & Qualified Following Certificate Course Conducted By ICAI
 1. Forensic Accounting & Fraud Detection
 2. Concurrent Audit of Banks
 3. Goods & Service Tax (GST)
 4. Public Finance & Accounting
 5. Drafting & Pleading Before Authorities
 6. Wealth management & Financial Planning
 7. Artificial Intelligence



@CA_DARSHAN_JAIN

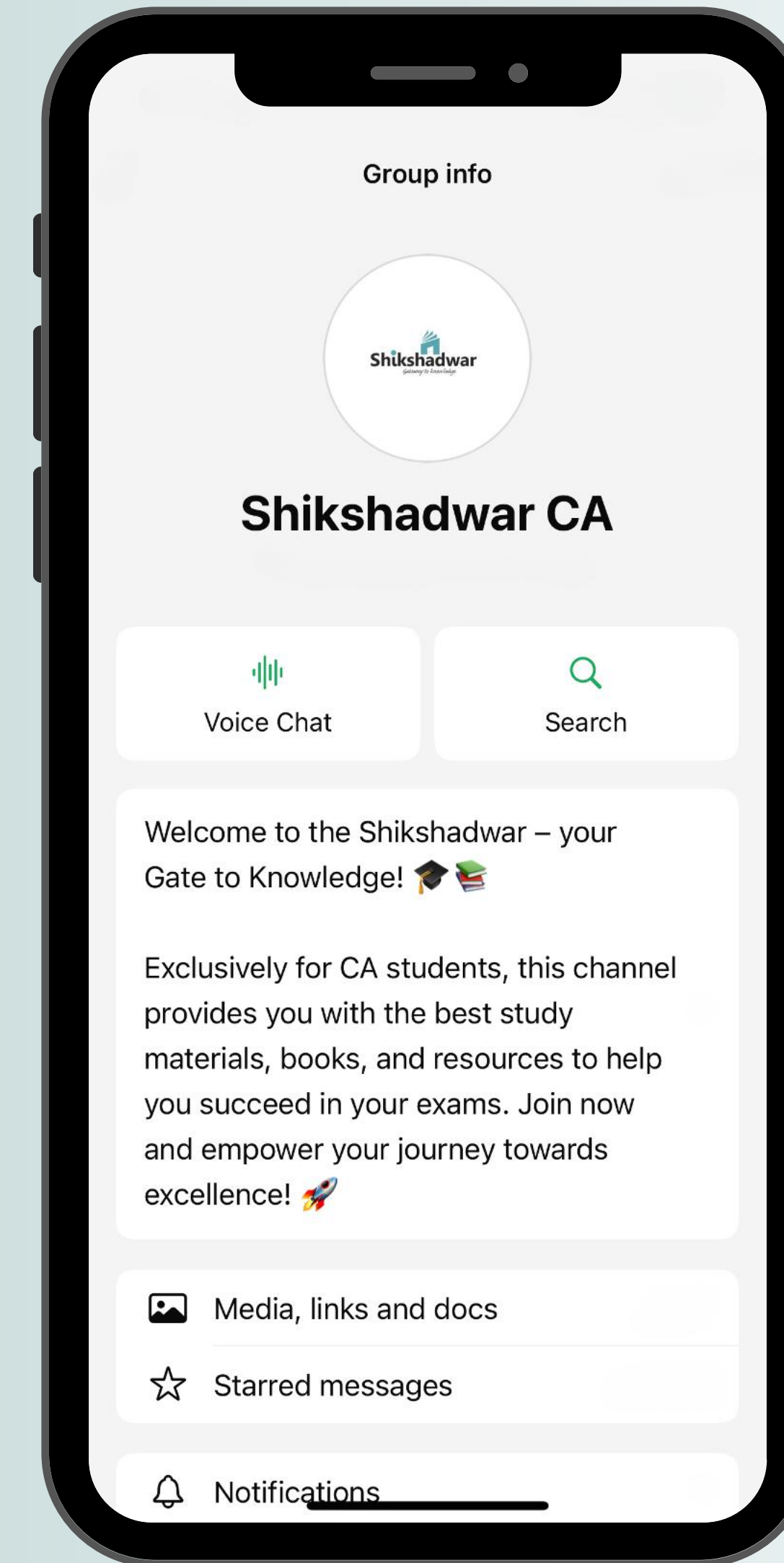
CA TUSHAR TAPARIA

CA , LLB

- A multi-faceted professional with a Chartered Accountancy qualification and a Bachelor's degree in Law.
- Brings 7+ years of teaching experience across CA and CS professional courses.
- Specializes in:
 - Taxation at CA Intermediate and CS Executive levels
 - Economics at CA Foundation level
- Known for simplifying complex concepts with crystal-clear explanations and practical insights.
- Expert in delivering Fasttrack batches with proven accelerated learning techniques.
- Frequently invited as a visiting faculty for Taxation at reputed coaching institutes.
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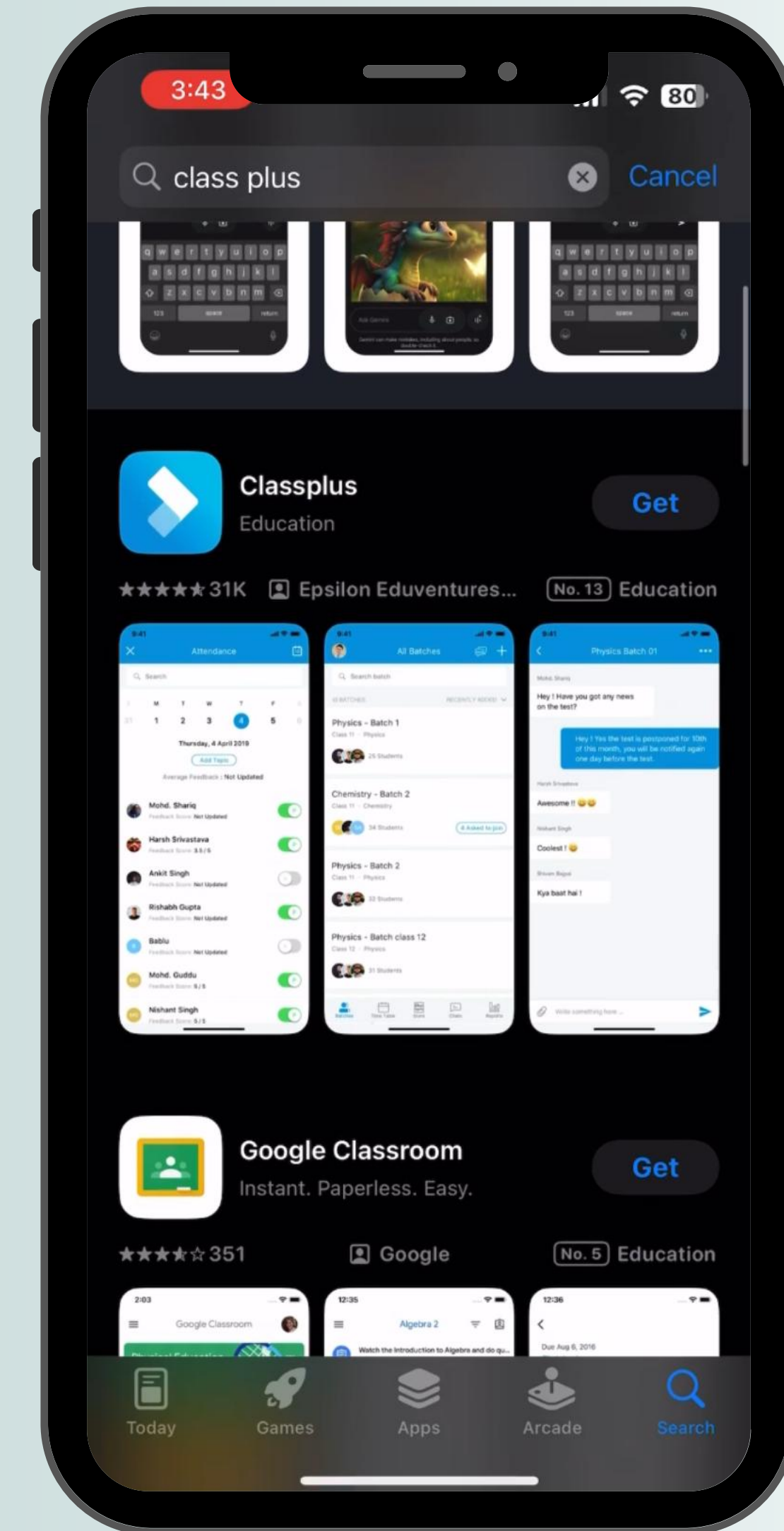
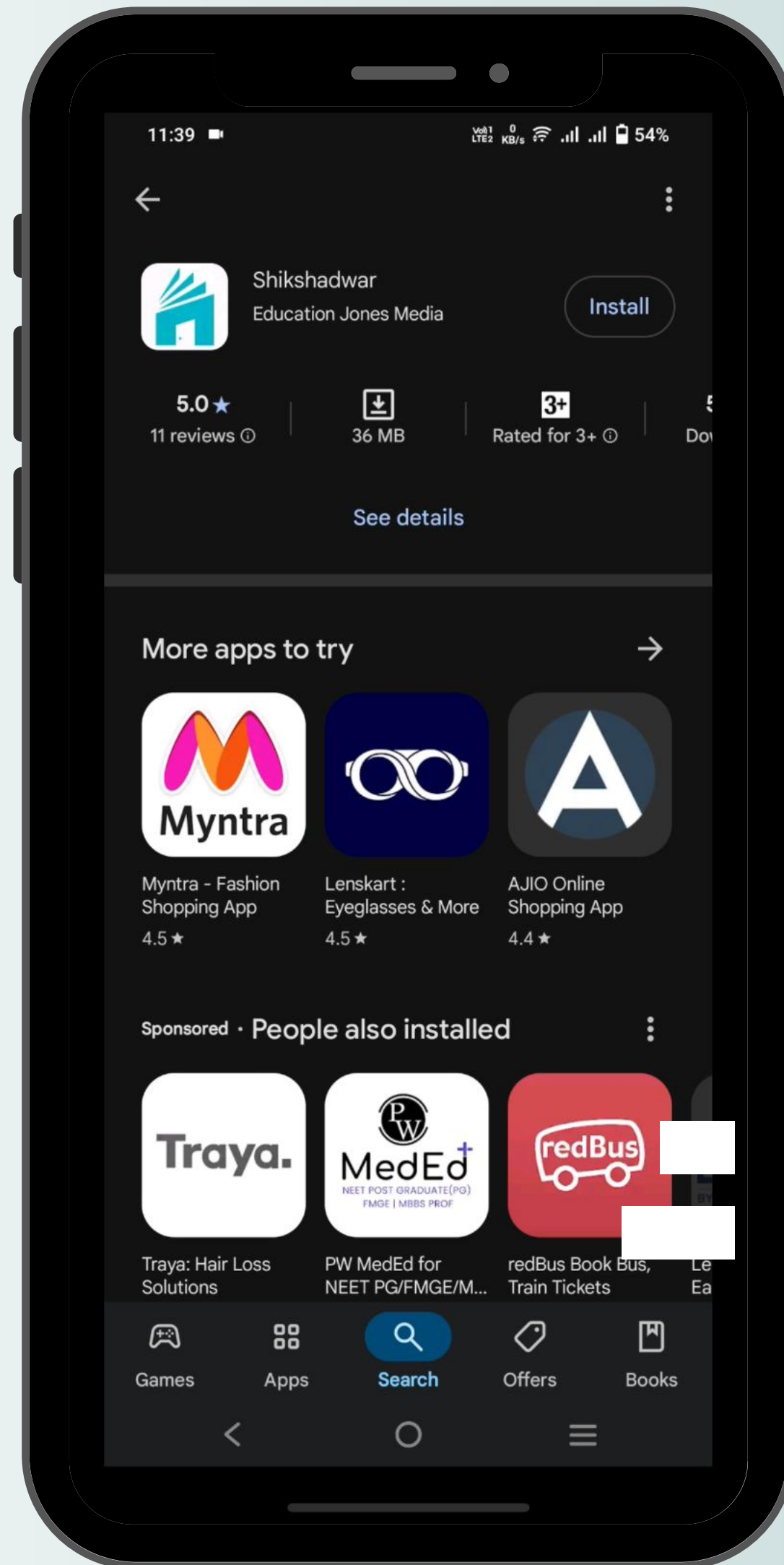
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CA INTERMEDIATE MAY 25

Marathons Live Streams



RRR - Result Oriented Rapid Revision

Most Imp Questions



One Shot MCQ's Marathon

Super Chart Revision









Amendments Ki Pathshala

20 -20 Series

CA INTERMEDIATE MAY 25

Marathons Schedule With Links

DATE	TIME	EDUCATOR	SUBJECT	TOPICS	YOUTUBE LINK
17/4/2025	8.00 AM	CA ADARSH JOSHI	LAW	RRR	
18/4/2025	12.00 NOON	CA TUSHAR TAPARIA	GST	RRR	
19/4/2025	8.00 AM	CA CS DARSHAN JAIN	FM	RRR	
20/4/2025	8.00 AM	CA ADARSH JOSHI	LAW	ONE SHOT MCQ MARATHON	
21/4/2025	2.00 PM	CA TUSHAR TAPARIA	GST	GST AMENDMENTS & ITS IMPORTANT QUESTIONS	
23/4/2025	8.00 AM	CA CS DARSHAN JAIN	FM	ONE SHOT MCQ MARATHON	

DATE	TIME	EDUCATOR	SUBJECT	TOPICS	YOUTUBE LINK
24/4/2025	2.00 PM	CA TUSHAR TAPARIA	DT	DT AMENDMENTS & ITS IMPORTANT QUESTIONS	
27/4/2025	8.00 AM	CA CS DARSHAN JAIN	SM	ONE SHOT MCQ MARATHON	
4/5/2025	8.00 AM	CA ADARSH JOSHI	LAW	MOST IMPORTANT QUESTIONS	
6/5/2025	3.00 PM	CA TUSHAR TAPARIA	TAXATION	20-20	
12/5/2025	8.00 AM	CA CS DARSHAN JAIN	FM	20-20	
13/5/2025	8.00 AM	CA CS DARSHAN JAIN	SM	SUPER CHART REVISION	

STRATEGIC ANALYSIS

-

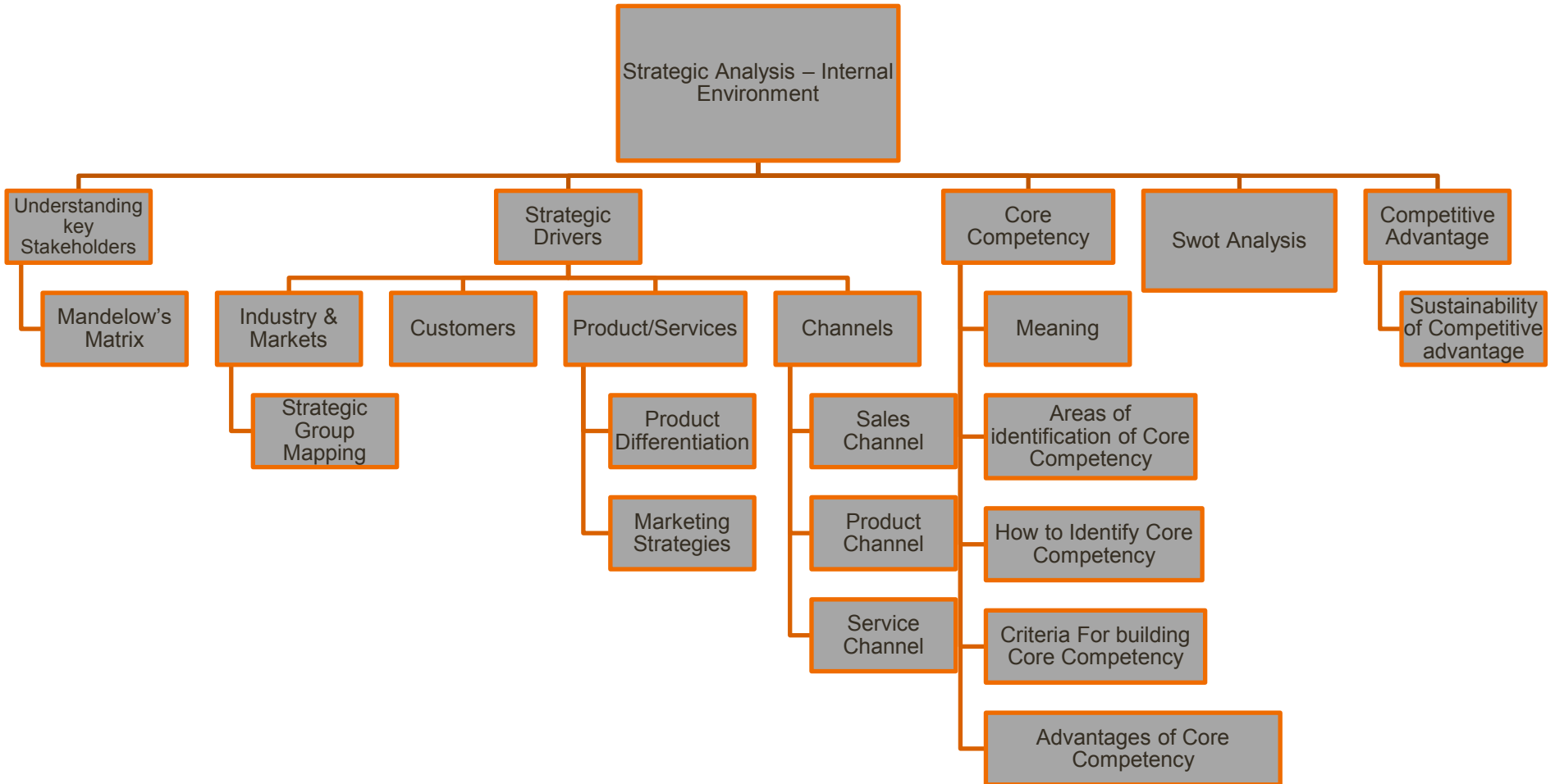
INTERNAL ENVIRONMENT

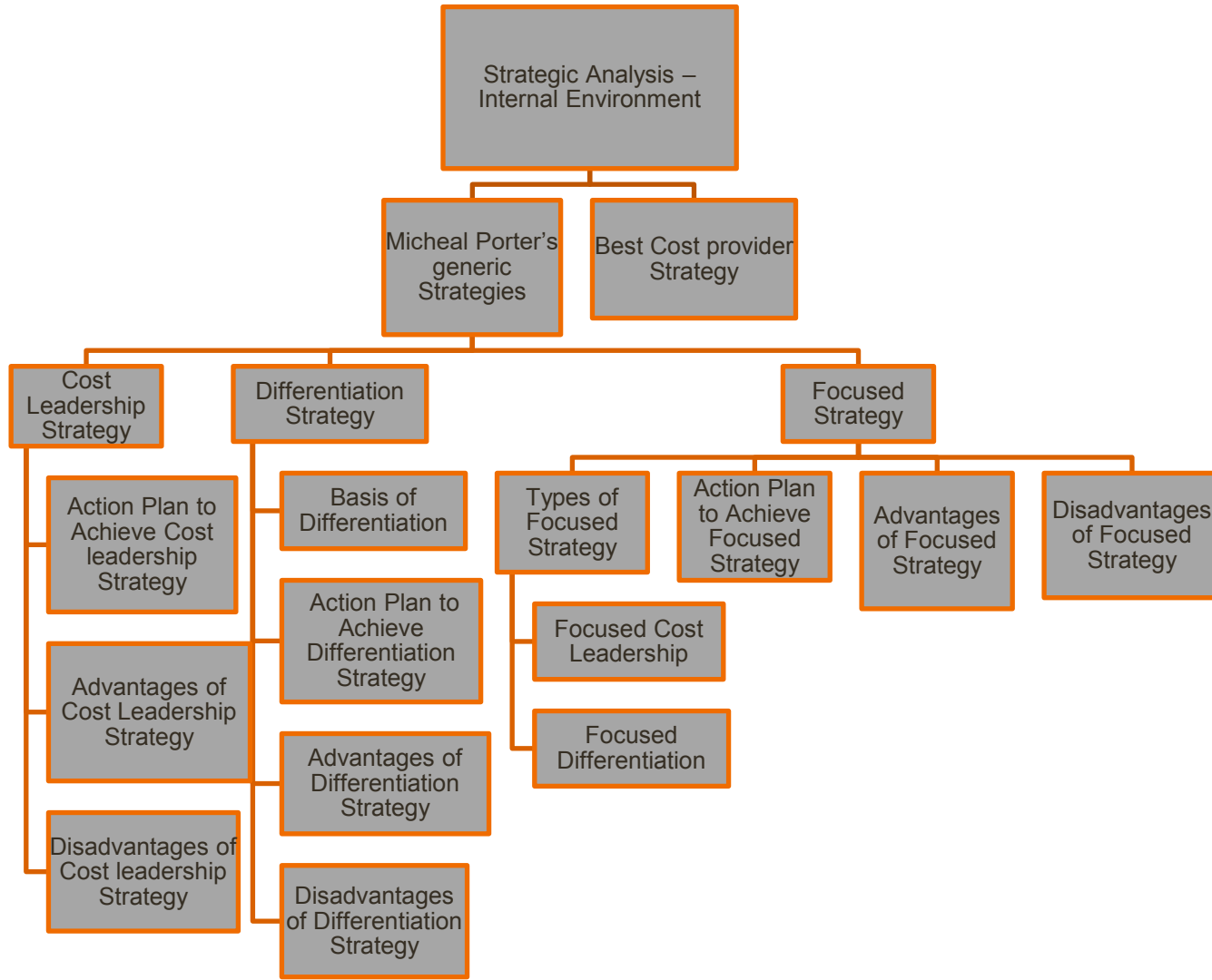
WEIGHTAGE ANALYSIS

SR.NO	NAME OF TOPIC	May 18	Nov 18	May 19	Nov 19	Nov 20	Jan 21	Jul 21	Dec 21	May 22	Nov 22	May 23	Nov 23	May 24
1	INTRODUCTION TO SM	9	9	10	5	5	5	5	5		10	5	10	10
2	STRATEGIC ANALYSIS – EXTERNAL ENVIRONMENT	7	5	5	10	5		10	5	5		5	10	10
3	STRATEGIC ANALYSIS – INTERNAL ENVIRONMENT	14	7	5	3	5	15	5	10	5	10	5		10
4	STRATEGIC CHOICES	7	6	5	10	5	5	5	10	10	5	5	10	10
5	STRATEGY IMPLEMENTATION & EVALUATION	15	19	11	5	10	20		15	15	10	25		10
6	MCQ'S	-	-	15	15	15	15	15	15	15	15	15	15	15
	TOTAL	52	46	51	48	45	60	40	60	50	50	60	45	65

BIRDS EYE VIEW







INTRODUCTION

- ❑ Strategic Analysis is equally important when it comes to internal environment assessment.
- ❑ Internal environment refers to
 - Sum total of people – Individuals and Groups
 - Stakeholders
 - Processes- Input-Throughput-Output
 - Physical Infrastructure- Space, Equipment and Physical Conditions of Work
 - Administrative Apparatus - lines of authority & power, responsibility, accountability
 - Organizational culture- Relationships, philosophy, values, ethics.
- ❑ The internal environment is specific to each organisation. It is based on its structure and business model and includes all stakeholders like top management, investors, employees, board of directors, etc.

UNDERSTANDING KEY STAKEHOLDERS

- ❑ A firm may be viewed as a ^{group} coalition of stakeholders. stakeholders can be defined as any person/group of individuals, internal or external, that has an interest in, or impact on the business or corporate strategy of the organisation. They have the power to influence the strategy or performance of that organisation.
 - ❑ Stakeholders include management, employees, shareholders, customers, vendors, governments, labour unions etc
 - ❑ It is important to first identify the key stakeholders. Each stakeholder ^{release} exerts a different level of influence and can have differing levels of interest in the organisation.
- Example** An organisation involved in healthcare innovation needs to have a long-term perspective about its return on investment (ROI) as there may be a long time between investment into research timelines and a commercial outcome. While, shareholders, whose main concern is quick profits, may be more hesitant to support the organisation spending funds on something that they may not see the return in the near future.
- ❑ Since the expectations of key stakeholders can influence the organisation's strategy, a clash of objectives may have unfavourable consequences for the organisation.

Example of Key Stakeholders and their requirements for an OTT Platform

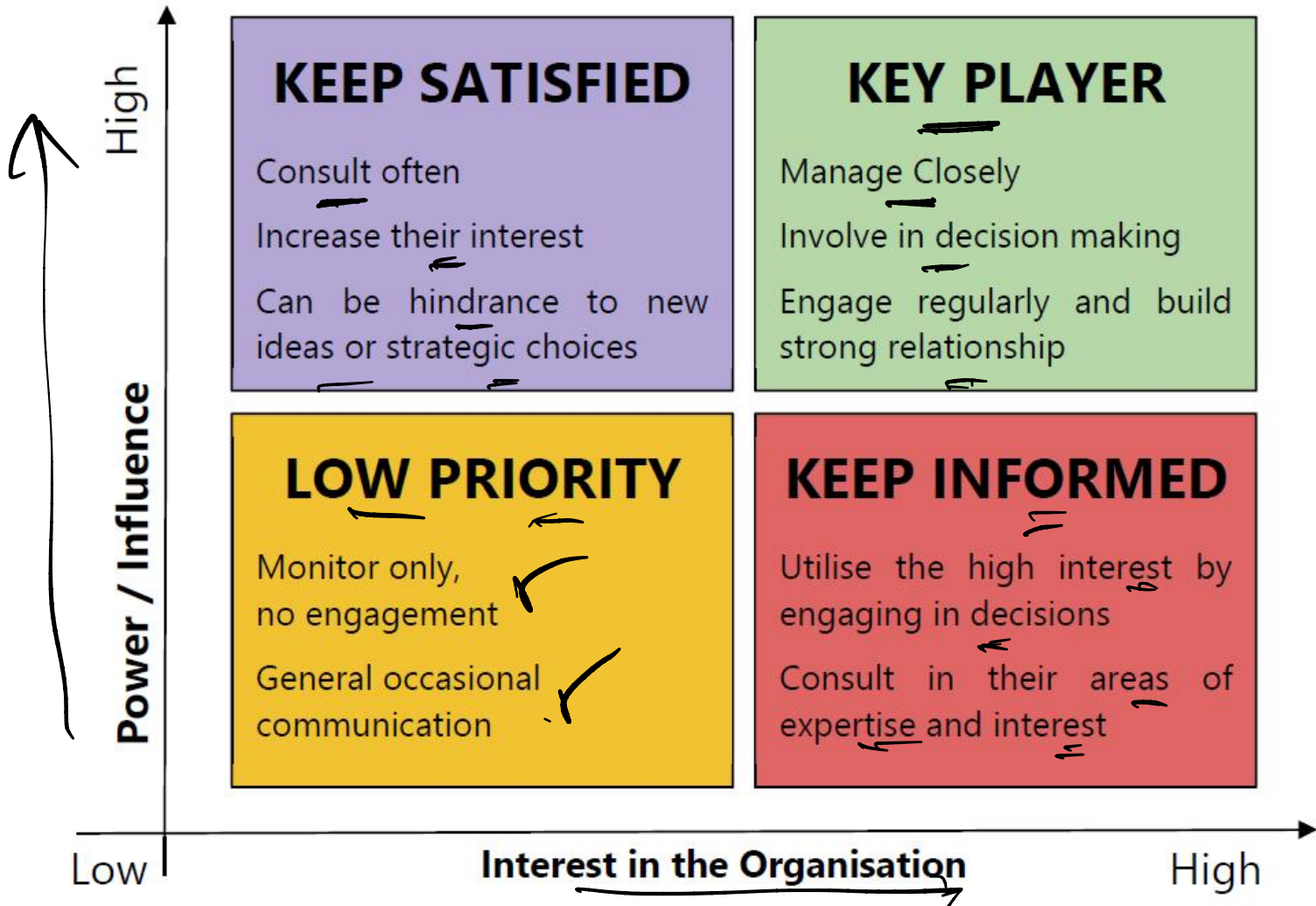
Stakeholders	Requirements
Shareholders	<ul style="list-style-type: none"> ◆ Innovation and continuous creative content ✓ ◆ Total shareholder return (ROI) ✓ ◆ Corporate social responsibility ✓ ◆ Top rankings of the organisation ✓ ◆ Highest market share ✓
CEO and Board of Directors	<ul style="list-style-type: none"> ◆ Prestige ✓ ◆ Market share ✓ ◆ Revenue and profit growth ✓ ◆ Market rankings ✓
Major Vendors (Production Houses)	<ul style="list-style-type: none"> ◆ Growth ✓ ◆ Stability of ordering ✓ ◆ Stable margins ✓
Consumers (Viewers)	<ul style="list-style-type: none"> ◆ New content - Innovation ✓ ◆ Better deals - Pricing Benefits ✓ ◆ Value for money ✓ ◆ Continuous supply ✓
Employees	<ul style="list-style-type: none"> ◆ Wages and benefits ✓ ◆ Stability of employment ✓ ◆ Pride of working for a reputed organization ✓

MANDELOW'S MATRIX

1. The Mendelow Stakeholder matrix also known as the Stakeholder Analysis matrix and the Power-Interest matrix is a simple framework to help manage key stakeholders. Managing a project is extremely complicated as it involves managing the competing interests of various stakeholders. Who needs to know what and when, who needs to give their feedback and who has the final approval can be confusing.
2. However, managing stakeholders is critical to the success of a project. This is where a stakeholder analysis matrix i.e. Mendelow's Matrix can help.
3. Mendelow suggests that one should analyse stakeholder groups based on
 - **Power** (the ability to influence organisation strategy or resources) and
 - **Interest** (how interested they are in the organisation succeeding).
4. A thing to remember is that all stakeholders may seem to have lots of power and organisation may hope they would have lots of interest too. But in reality, some stakeholders will hold more Power than others, and some stakeholders will have more Interest than others.
For example, a big shareholder is likely to have high power and high interest in the organisation, whereas a big competitor would have high power to impact strategy, but potentially less Interest in success of rival organisation.

DEVELOPING A GRID OF STAKEHOLDERS

1. Mendelow's Matrix is based on Power and Interest. It suggests to identify which stakeholders are incredibly important. Metrics to define the importance being High Power and High Interest which management would need to manage closely, while investing a lot of time and resources.
2. For example, the CEO is likely to have more Power to influence the work and also high interest in it being successful. Keeping them informed almost daily should be a priority.
3. However, those stakeholders with low power and low interest like research institutes seeking an organisation data should be monitored rarely and minimum effort expended on them in terms of time and money.



1] Key satisfied stakeholders = High Power & low interest.

2] Key player = High Power & High Interest

3] Low Priority = Low Power & Low Interest

4] Key informed = Low Power & High Interest

TYPES OF STAKEHOLDERS

Sr. No.	Types	Nature	Organisation should-	Example
1.	KEEP SATISFIED Stakeholders	High Power Less Interested	put in enough work with these people to keep them satisfied with their intended information on a regular basis.	Banks, Government , Customers etc.
2.	KEY PLAYERS Stakeholders	High Power Highly Interested	fully engage this group of stakeholders, making the greatest efforts to satisfy them, take their advice, build actions, and keep them informed with all information on a regular basis.	Shareholders, CEO, Board of Directors, Partners etc.
3.	LOW PRIORITY Stakeholders	Low Power Less Interested	only monitor them with no actions to satisfy their expectations. Strategically, minimal efforts should be spent on this group of stakeholders while keeping an eye to check if their levels of interest or power change.	Business Magazines , Media Houses , etc.
4.	KEEP INFORMED Stakeholders	Low Power Highly Interested	adequately inform this group of people and communicate with them to ensure that no major issues arise. This audiences can also help with real time feedbacks and areas of improvement for an organisation.	Employees , Vendors, Suppliers, Legal Experts etc.

MOVEMENT BETWEEN QUADRANTS

1. An important thing that strategists should be aware of, is the importance to remember that environment is highly dynamic and certain things might happen that can cause stakeholders to suddenly move between Quadrants.
2. **Example:** An Organisation might inadvertently contravene a regulation, say GST compliance which would cause the regulatory body i.e. Indirect Taxes Department to move from High Power, Low Interest to High Power, High Interest.
3. This would then require a different way of managing and communicating with this stakeholder. Equally, the media houses would also move from Low Power, Low interest, to Low Power, High Interest.
4. So, it's always worth re-analysing the Mendelow's grid for one's organisation in the event of a change in environment.

Identify and group the below stakeholders in the 4 groups as suggested by Mendelow for an Ecommerce startup.

Ms. Suhasini (CEO), *Key Player*

Mango Partners and TRIK Group (Investors) *Key Player.*

MSME Ministry, *Key Satisfied.*

Customers from North East India *Key Satisfied.*

Sellers from Rajasthan, *Key Informed.*

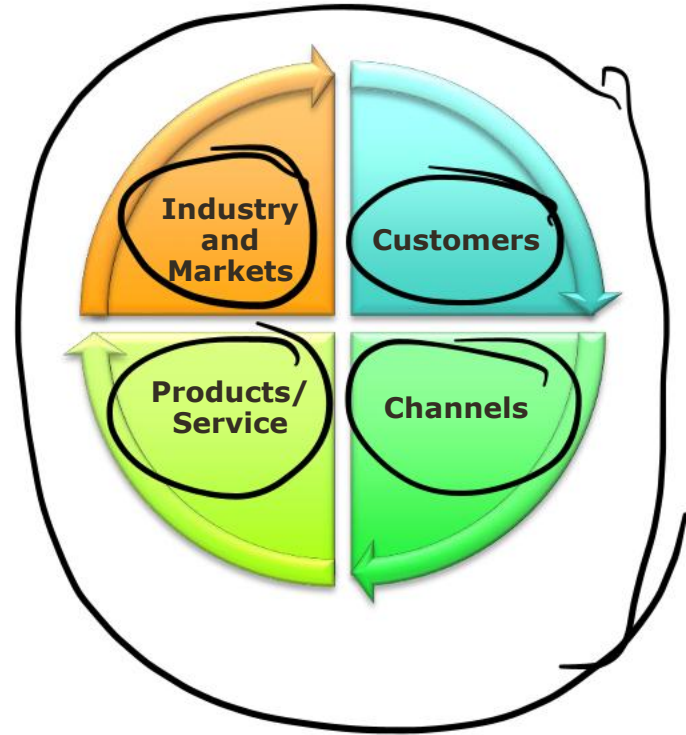
Jandhan Bank (Lender), *Key Satisfied.*

Kumar S and Sharma T (Sr. Managers in the Co.) *Key Player*



STRATEGIC DRIVERS

- ❑ Strategic drivers are forces that shape an organization's strategy.
- ❑ An important aspect of internal analysis is assessing the current performance of the business. And in assessing current performance, the strategic drivers consider what differentiates an organisation from its competitors.
- ❑ It involves analysis of the key markets in which the organisation operates, as well as its key customers, the products and services it provides, the channels in which the products or services are delivered, and the organisation's competitive advantage. Some of these components are interlinked, such as markets and products/services, and channels and key customers in each channel.
- ❑ There can be varied ways to assess the current performance of a business and it is highly subjective based on the managements metrics and ways of doing business. It can either be profit driven, purpose driven or any other metrics that the management seems to fit in.
- ❑ The key strategic drivers of an organisation include:
 - Industry and Markets
 - Customers
 - Products/Services
 - Channels



INDUSTRY & MARKETS

- ❑ In terms of the internal environment, it is very important for an organisation to understand its relative position in the industry and in the market in which it operates. There are many ways to do this but require analysis and understanding of the environment.
- ❑ Similar companies are grouped together into industries. Basically, industry grouping is based on the primary product that a company makes or sells
- ❑ **For example**, Maruti, Mahindra, Tata Motors, TVS, Bajaj Auto, are all selling automobiles as their primary product and thus categorised into Automotive Industry. Similarly, Zara, H&M, Marks & Spencer, Pantaloons, Westside, Uniqlo, are all selling apparels and accessories for the youth, and thus categorised under apparels industry.
- ❑ A market is defined as the sum total of all the buyers and sellers in the area or region under consideration. The market may be a physical entity or may be virtual like e-commerce websites and applications. It may further be local or global, depending on which all countries the business sells its products in.
- ❑ The **value**, **cost** and **price** of items traded are as per forces of **supply** and **demand** in a **market**.



Is market the same for all businesses?

Market refers to all the buyers and sellers of a particular product/service and so it would be incorrect to say that market is the same for all businesses. Each business has its own set of customers i.e. market and more so, each product within a business has its own market.

For example, for a FMCG brand selling Shampoos, Dairy Products, Flours, Washing Powder, etc. - each product line will have a separate market to cater to and therefore build strategies specific to the market of concern.

ANALYSING INDUSTRY & MARKETS

- ❑ Industry and market analysis is extremely important to identify one's position as compared to the competitors, who can be of equal size and value, or bigger in size and value or even smaller and newer. A tool used for this is called - **Strategic Group Mapping**.
- ❑ A strategic group consists of those rival firms which have similar competitive approaches and positions in the market. Companies in the same strategic group can resemble one another in any of the several ways.
- ❑ They may have comparable product-line breadth, sell in the same price/quality range, emphasize the same distribution channels, use essentially the same product attributes to appeal to similar types of buyers, depend on identical technological approaches, or offer buyers similar services and technical assistance.
- ❑ An industry contains only one strategic group when all sellers pursue essentially identical strategies and have comparable market positions. At the other extreme, there are as many strategic groups as there are competitors when each rival pursues a distinctively different competitive approach and occupies a substantially different competitive position in the marketplace.

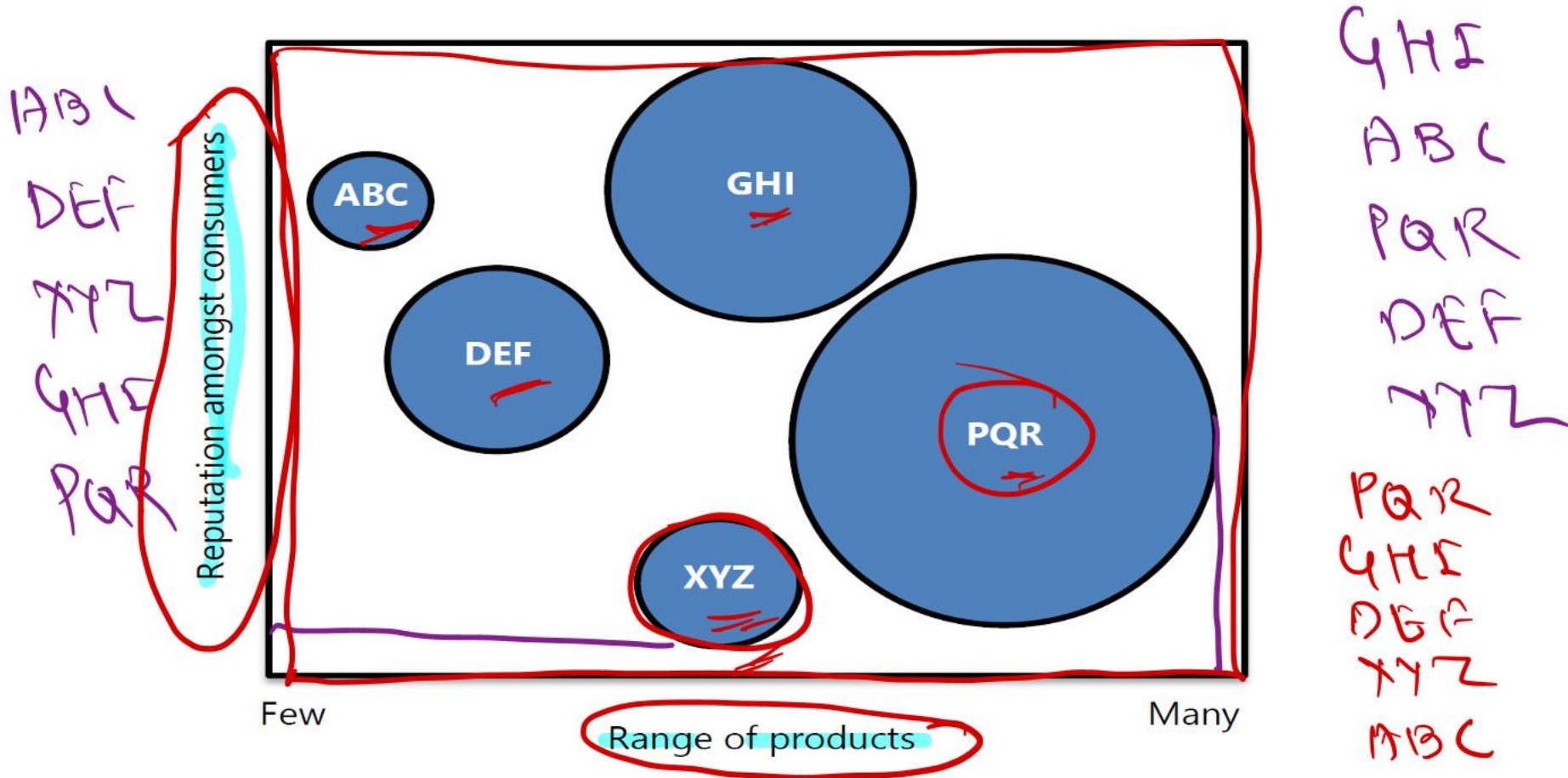
STRATEGIC GROUP MAPPING

Strategic Group Mapping is one of the analytical tools/ techniques, for evaluating the market position of the Competitors/ Rivals in the industry, by comparing the market positions of each Firm separately or grouping them into like positions.

PROCEDURE FOR STRATEGIC GROUP MAPPING

Step	Description
1	Identify the Competitive characteristics that differentiate Firms in the industry.
2	Plot the Firms on a two-variable map, using pairs of differentiating characteristics.
3	Classify Firms that follow the same strategy, into one Strategic Group.
4	Determine the position of each strategic group, by making it proportional to the size of the Group's respective share of total industry sales revenues.

STRATEGIC GROUP MAPPING - EXAMPLE



Offense & online

ΕΚΟΥΡΑΤΑ

for
SNO!
SUCCESS!

1. ABC, DEF, GHI, XYZ AND PQR are companies operating in the same industry. Let us assume these all are companies selling Laptops.
2. Y-Axis (Vertical) is the reputation of the company and on the X-Axis (Horizontal) is the range of their products.
3. Reputation is depicted through the size of the bubble of the company along with how high it is on the Y-Axis.
4. While on the X-Axis, we can see how huge their product range is, whether they have few models or they have many models on offer for the customers.
5. A simple glance of the mapping chart shows us that even though ABC has few models, but it has great reputation in the market.
6. Similarly, GHI has a good range of products and is the most reputed company in laptops.
7. Another view is that XYZ and GHI have the same number of models as both are on the same place on X-Axis, but GHI has much greater reputation than XYZ, as it has a bigger bubble and is higher on the Y-Axis.
8. Strategists can analyze the market by making any number of scenarios like above to understand the competition.

Thus, this analysis helps a business understand its competition in terms of two or more factor (like reputation and range of products in this case) in a single graphical representation.

CUSTOMERS

- ❑ Understanding the different types of customers to whom the organisation's products/services are sold or provided, is not only important but also the first step in deciding the product/service.
- ❑ Different customers may have different needs and require different sales models or distribution channels.
- ❑ Consider the example of a headphones brand - the customers can be grouped under high value buyers, medium value buyers and low value buyers based on the amount they are willing to spend on a product, thus helping the business understand their key customers and focus areas of improvement.
- ❑ As customers are often responsible for the generation of profits obtained by an organisation, it is important to be able to collect and display data in order to show customer trends and profitability. Issues with customers can be identified, and target areas for growth can be pursued based on the findings.

CUSTOMERS V/S CONSUMER

Customer



A customer is a person or entity who purchases goods or services from a **business**.

Consumer



A consumer is the **end-user** or the **person** who **uses** or **consumes** the **product** or **service**.

A customer can be a consumer and vice versa. But for strategy teams especially marketing teams it is important to understand the customer and consumer separately.

	Customer	Consumer
Meaning	One who buys a product/service	One who finally uses/consumes the bought product/service
Example	<ol style="list-style-type: none">1. A parent buying stationery products for their kids might be the customers.2. Baby Diapers are bought by parents (customers) who are willing to pay higher price for higher quality.	<ol style="list-style-type: none">1. Consumers are the kids who would actually use it.2. Consumers are the babies, who are more concerned about the comfort and easiness. If babies do not accept the product i.e. if consumers aren't satisfied, it is difficult to retain the buyer i.e. customers as well.
Pricing Perspective	Customer is of more importance and from Perspective value creation and design/usability.	Consumer needs to be kept at the centre of decision making

PRODUCTS/SERVICES

- ❑ Products and services are closely linked and interrelated with the markets that the organisation wants to serve. In this component of the strategic drivers' analysis, business identifies the **key products/services** that the organisation offers and how those **products/services** are **performing**.
- ❑ It attempts to answer the general question : What business are we in and what should be done to win over **competition** in each **product/service** we serve.
- ❑ Product stands for the combination of “goods-and-services” that the company offers to the target market The products can also be classified on the basis of industrial or consumer products, essentials or luxury products, durables or perishables.
- ❑ There are products that have wide range of quality and workmanship and these also change over time since products and markets are **infinitely dynamic**. An organization has to capture such dynamics through a set of policies and strategies. Some products have consistent customer demand over long period of time while others have short life spans.
- ❑ Strategies are needed for managing existing product over time, adding new ones and dropping failed products. Strategic decisions must also be made regarding branding, packaging and other product features such as warranties,

- For a new product, pricing strategies for entering a market need to be designed and for that matter at least three objectives must be kept in mind:
 - Have **customer-centric** approach while making a product.
 - Produce sufficient returns through a reasonable margin over cost.
 - Increasing market share.



PRODUCT DIFFERENTIATION

- ❑ Products can also be differentiated on the basis of size, shape, colour, packaging, brand names, after-sales service and so on. Organizations seek to hammer into customers' minds that their products are different from others. It does not matter whether the differentiation is real or imaginary. Quite often the differentiation is psychological rather than physical.
- ❑ It is enough if customers are persuaded to believe that the marketer's product is different from others. **For example**, Shampoos with different branding namely Head & Shoulders, Olay, Old Spice, Pantene are all produced by the same company P&G.
- ❑ Organizations formalize product differentiation through designating 'brand names' to their respective products. These are generally reinforced with legal sanction and protection. Brands enable customers to identify the product and the organization behind it.
- ❑ The products and even firms' image is built around brands through advertising and other promotional strategies. Customers tend to develop strong brand loyalty for a particular product over a period of time.

Part - 1

Knock Jack

Monaco

20-20

Mani P

Hide & seek

Part -

Chief

Tide.



Head & shoulders, Pantone - P&G

NOOT

Bio Ceramics.

MARKETING STRATEGIES

Products and services need heavy investment in reaching out to customers. Over the years, a number of marketing strategies have been evolved, which are given to handle marketing strategically and fight the competition in the market.

The Various Marketing Strategies are as Follows

1. Social Marketing
2. Augmented Marketing
3. Direct Marketing
4. Relationship Marketing
5. Services Marketing
6. Person Marketing
7. Organization Marketing
8. Place Marketing
9. Enlightened Marketing
10. Differential Marketing
11. Synchro-marketing
12. Concentrated Marketing
13. Demarketing

Social Marketing

- It refers to the design, implementation, and control of programs seeking to increase the acceptability of a social ideas, cause, or practice among a target group to bring in a social change.
- For instance, the publicity campaign for prohibition of smoking in Delhi explained the place where one can and can't smoke and also indicates that smoking is injurious to health.

[marketing of Company
by giving social message] example - Warning on
Road signs smoking is injurious to
health.

Augmented Marketing

- This type of marketing includes additional customer services and benefits that a product can offer besides the core and actual product that is being offered. It can be in the form of introduction of hi-tech services like movies on demand, online computer repair services, secretarial services, etc. Such innovative offerings provide a set of benefits that promise to elevate customer service to unprecedented levels.

Computer + free services for 6 months
Computer + HeadPhone bag & mouse.

Direct Marketing

- Marketing through various advertising media that interact directly with consumers, generally calling for the consumer to make a direct response.
- Direct marketing includes catalogue selling, e-mail, telecomputing, electronic marketing, shopping, and TV shopping.

Adda Caury students to buy CA Inter
subscription.

Relationship Marketing

Banks giving offers to customer maintaining high bank balance.
Indigo giving lounge access to frequent flyer.

- The process of creating, maintaining, and enhancing strong, value-laden relationships with customers and other stakeholders.
- **For example**, Airlines offer special lounges at major airports for frequent flyers. Thus, providing special benefits to select customers to strengthen bonds. It can go a long way in building relationships.

Services Marketing

- It is applying the concepts, tools, and techniques, of marketing to services. Services is any activity or benefit that one party can offer to another that is essentially intangible. This marketing requires different marketing strategies since it has peculiar characteristics of its own such as inseparability, variability etc.

TV + Installation of TV, AC + Installation.

Person Marketing

- People can also be marketed. Person marketing consists of activities undertaken to create, maintain or change attitudes and behaviour towards particular person.
- **For example**, politicians, sports stars, film stars, etc. i.e., market themselves to get votes, or to promote their careers.

Shahrukh Khan marketing himself by appearing in IPL matches, social events etc.

Organization Marketing

Adani group add on TV

- It consists of activities undertaken to create, maintain, or change attitudes and behaviour of target audiences towards an organization. Both profit and non-profit organizations practice organization marketing.

Place Marketing

- Place marketing involves activities undertaken to create, maintain, or change attitudes and behaviour towards particular places say, marketing of business sites, tourism marketing.

modiji visiting lakshadweep
food blogger visiting restaurant.

Enlightened Marketing

LIC

- It is a marketing philosophy holding that a company's marketing should support the best long-run performance of the marketing system that is beyond the prevailing mindset; its five principles include customer-oriented marketing, innovative marketing, value marketing, sense-of-mission marketing, and societal marketing.

LIC showing benefits for a family

Differential Marketing

- It is a market-coverage strategy in which a firm decides to target several market segments and designs separate offer for each.
- For example, Hindustan Unilever Limited has Lifebuoy, Lux and Rexona in popular segment and Dove and Pears in premium segment.

Same type of product.

Hindustan Unilever, having different ad for different customers.

Synchro-marketing

movie theatre selling low prices show in morning

- When the demand for a product is irregular due to season, some parts of the day, or on hour basis, causing idle capacity or overworked capacities, synchro-marketing can be used to find ways to alter the pattern of demand through flexible pricing, promotion, and other incentives.
- For example, products such as movie tickets can be sold at lower price over weekdays to generate demand.

E-Square

70-80

E Square = 200-250

7:30

8:00

Vijay = 40-60

Concentrated Marketing

- It is a market-coverage strategy in which a firm goes after a large share of one or few sub-markets. It can also take the form of Niche marketing.

Apple advertising only for iPhone

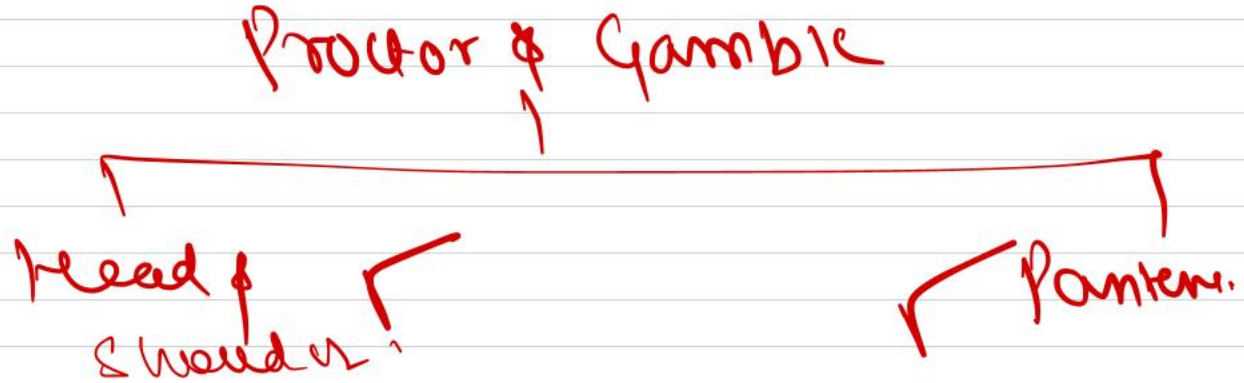
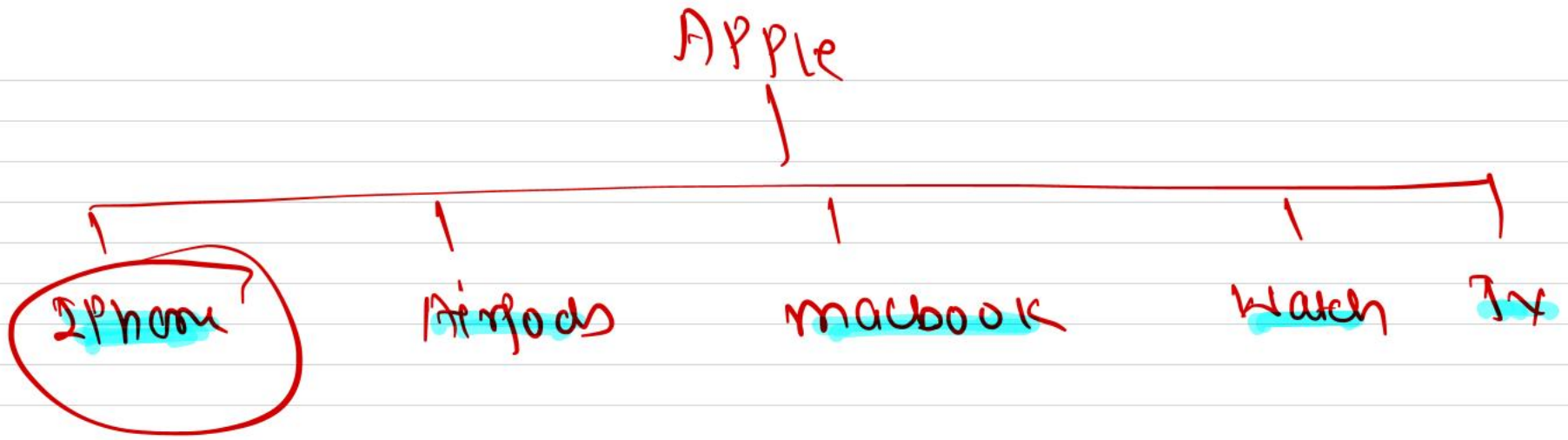
Demarketing

- It includes marketing strategies to reduce demand temporarily or permanently. The aim is not to destroy demand, but only to reduce or shift it. This happens when there is overfull demand.

Toyota discontinuing its most sold vehicle model

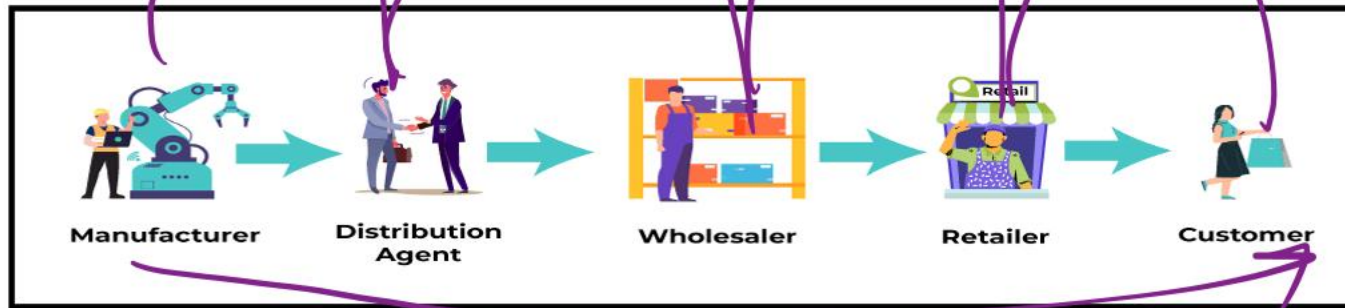
- For example, buses are overloaded in the morning and evening, roads are busy for most of times, zoological parks are over-crowded on Saturdays, Sundays and holidays. Here demarketing can be applied to regulate demand.

crypto temporarily to shift demand to other products or to increase its execution among customers



CHANNELS

- ❑ Channels are the distribution system by which an organisation distributes its product or provides its service
- ❑ To understand the concept of channels let us see some **examples** of how the following companies distribute their products and services
 - **Lakme** - sells its products via retail stores, intermediary stores (like Nykaa, Westside, Reliance Trends), as well as online mode like amazon, flipkart, nykaa online and its own website.
 - **Boat Headphones** - only online via e-commerce platforms like flipkart and amazon
 - **Coca Cola** - retail shops across the nation, in each district, each town as well as online mode via dunzo, blinkit, etc
- ❑ The wider and stronger the channel the better position a business has to fight and win over competition. Also, having robust channels of business distribution help keep new players away from entering the industry, thus acting as barriers to entry.



There are typically three channels that should be considered:



Sales channel

- These are the intermediaries involved in selling the product through each channel and ultimately to the end user.
- The key question is: Who needs to sell to whom for your product to be sold to your end user?
- **For example**, many fashion designers use agencies to sell their products to retail organisations, so that consumers can access them.



Product channel

- The product channel focuses on the series of intermediaries who physically handle the product on its path from its producer to the end user.
- This is true of Australia Post, who delivers and distributes many online purchases between the seller and purchaser when using eBay and other online stores.

Devi Manufacturer



Crown King



Amazon



Best Deal
Choice



Customer

Service channel

- The service channel refers to the entities that provide necessary services to support the product, as it moves through the sales channel and after purchase by the end user.
- The service channel is an important consideration for products that are complex in terms of installation or customer assistance.
- **For example**, a Bosch dishwasher may be sold in a Bosch showroom, and then once sold it is installed by a Bosch contracted plumber.

AC Mumbai
Installation → work

CHANNEL ANALYSIS

Channel analysis is important when the business strategy is to scale up and expand beyond the current geographies and markets. When a business plans to grow to newer markets, they need to develop or leverage existing channels to get to new customers. Thus, analysis of channels that suit one's products and customers is of utmost importance.

For Example - if a healthcare brand wants to reach out to elderly customers - they need to be more focused on offline mode of business where agents reach out physically to the elderly as most of their potential customers (i.e. the old aged) are not active on smartphones.

For Example - if a new drink brand wants to acquire customers - they need to place their products via every channel possible to get more attraction from customers like placing their drinks in stores, and shops alike, offering competitive campaigns to create awareness via online modes (social media) and so and so forth.

CORE COMPETENCY

skill, knowledge,
USP.

- ❑ Core competencies are the knowledge, skills, and facilities necessary to design and produce core products. Core Competencies are created by superior integration of technological, physical and human resources. They represent distinctive skills as well as intangible, invisible, intellectual assets and cultural capabilities. Cultural Capabilities refer to the ability to manage change, the ability to learn and teamworking. Organisations should be viewed as a bundle of a few Core Competencies, each supported by several individual skills.
- ❑ Core Competence based diversification reduces risk and investment, and increases the opportunities for transferring learning and best practice across business units.
- ❑ Core competencies are often visible in the form of organizational functions.

For example, Marketing and Sales is a core competence of Hindustan Unilever Limited (HUL) This means that HUL has used its resources to form marketing related capabilities that in turn allow it to market its products in ways that are superior those of competitors. Because of this core competence, HUL is capable of launching new brands in the market successfully.

- ❑ A core competency for a firm is whatever it does best

For example: Wal-Mart focuses on lowering its operating costs. The cost advantage that Wal-Mart has created for itself has allowed the retailer to price goods lower than most competitors. The core competency in this case is derived from the company's ability to generate large sales volume, allowing the company to remain profitable with low profit margin.

- ❑ Core competencies cannot be built on one capability or single technological know-how, instead, it has to be the integration of many resources. The optimal way to define core competence is to consider it as sum of 5- 15 areas of developed expertise.
- ❑ Core technological competencies are also corporate assets; and as assets, they facilitate corporate access to a variety of markets and businesses. For competitive advantage, a core technological competence should be difficult for the competitors to imitate.
- ❑ **Core competencies** are a source of competitive advantage only when they allow the firm to create value by exploiting opportunities in its external environment.
- ❑ According to C.K. Prahalad and Gary Hamel, major core competencies are identified in three areas -

- **Competitor differentiation,**
- **Customer value,** and
- **Application to other markets**

If the three above-mentioned conditions are met, then the company can regard its competence as core competency.

Competitor Differentiation

- This means that a Firm can provide better products or services to the market with no fear that Competitors can copy it.
- Even if many Firms have equal skills and resources, Core Competence is obtained by a Firm, if it is able to do its activities significantly better than its rivals. The company has to keep on improving these skills in order to sustain its competitive position
- Example - it is quite difficult to imitate patented innovation, like Tesla has been winning over competition in electric vehicles.

Customer Value

- When purchasing a product or service it has to deliver a Fundamental Benefit to the end customer in order to be a Core Competence. The product or service has to have real impact on the Customer as the reason to choose to purchase them.
- If customer has chosen the company without this impact, then competence is not a core competence, and it will not affect the company's market position. The essence is that the consumer should value the differentiation offered. Without it, the core competency does not make sense.

Application to Other Markets

- Core Competence must be applicable to the whole Entity. A Core Competence is a unique set of skills and expertise, which will be used throughout the Entity to open up potential markets to be exploited.
- it cannot be only one particular skill or specified area of expertise. Therefore, although some special capability would be essential or crucial for the success of business activity, it will not be considered as core competence if it is not fundamental from the whole organization's point of view.

HOW TO IDENTIFY CORE COMPETENCY

- a) **Imitability Test:** Can it be imitated? Does it reduce the threat of imitation by Competitors?
- b) **Value Enhancement Test:** Does it make a significant contribution to the perceived customer benefits of the end product?
- c) **Leverage Test:** Does it provide potential access to a wide variety of markets?

EXAMPLES OF CORE COMPETENCY

Business
forever,
24x7

1. Small Retail shops have core competencies & gain competitive advantage in the areas of - (i) personal service to customers, (ii) extended opening hours, (iii) internal credit, (iv) home deliveries, (v) style of the owner, and (vi) choice of location.
2. However, Big Departmental Stores and Supermarkets have core competences in the areas of - (i) merchandising, (ii) securing supplies at lower cost, (iii) in-house activity management, (iv) computerized stock/ ordering/ billing systems and (v) own brand labels.
3. Supermarkets compete with one another with core competencies as to - (i) locational advantage, (ii) quality assurance, (iii) customer convenience in shopping, etc.
4. If all competitors imitate or develop similar core competencies, the Firm has to continuously gain more core competence in the other areas and shift the ground of competition, in order to gain long-run competitive advantage.

CRITERIA FOR BUILDING CORE COMPETENCY

Capabilities that are **valuable**, **rare**, **costly to imitate**, and **non-substitutable** are core competencies. Core Competency can be built by gaining such capabilities.

1. Valuable

- Valuable capabilities are the ones that allow the firm to exploit opportunities or avert the threats in its external environment.
- A firm created value for customers by effectively using capabilities to exploit opportunities.
- Such Valuable Capabilities can be built in many areas - Employee Competence, R&D, Marketing, Post Sale Service, etc.

negate avoid.



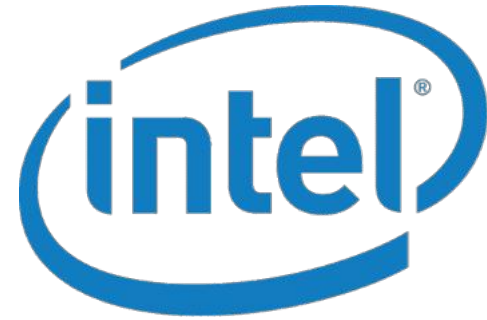
2. Rare

- Core competencies are very rare capabilities and very few of the competitors possess this. Capabilities possessed by many rivals are unlikely to be sources of competitive advantage for any one of them.
- Competitive advantage results only when firms develop and exploit valuable capabilities that differ from those shared with competitors.

3.

Costly to imitate

- Costly to imitate means such capabilities that competing firms are unable to develop easily.
- **For example**, Intel has enjoyed a first-mover advantage more than once because of its rare fast R&D cycle time capability that brought SRAM and DRAM integrated circuit technology and brought microprocessors to market well ahead of the competitor. The product could be imitated in due course of time, but it was much more difficult to imitate the R&D cycle time capability.



4.

Non-substitutable

- Capabilities that do not have strategic equivalents are called non-substitutable capabilities.
- This final criterion for a capability to be a source of competitive advantage is that there must be no strategically equivalent valuable resources that are themselves either not rare or imitable.
- The strategic value of capabilities increases as they become more difficult to substitute.
- **For example**, For years, firms tried to imitate Tata's low-cost strategy, but most have been unable to duplicate Tata's success. They did not realize that Tata has a unique culture and attracts some of the top talent in the industry. The culture and excellent human capital worked together in implementing Tata's strategy and are the basis for its competitive advantage.
- **For example**, Competitors are deeply aware about Apple's operating system's (iOS) successful model. However, to date, no competitor has been able to imitate Apple's capabilities. These are also protected through copyrights.



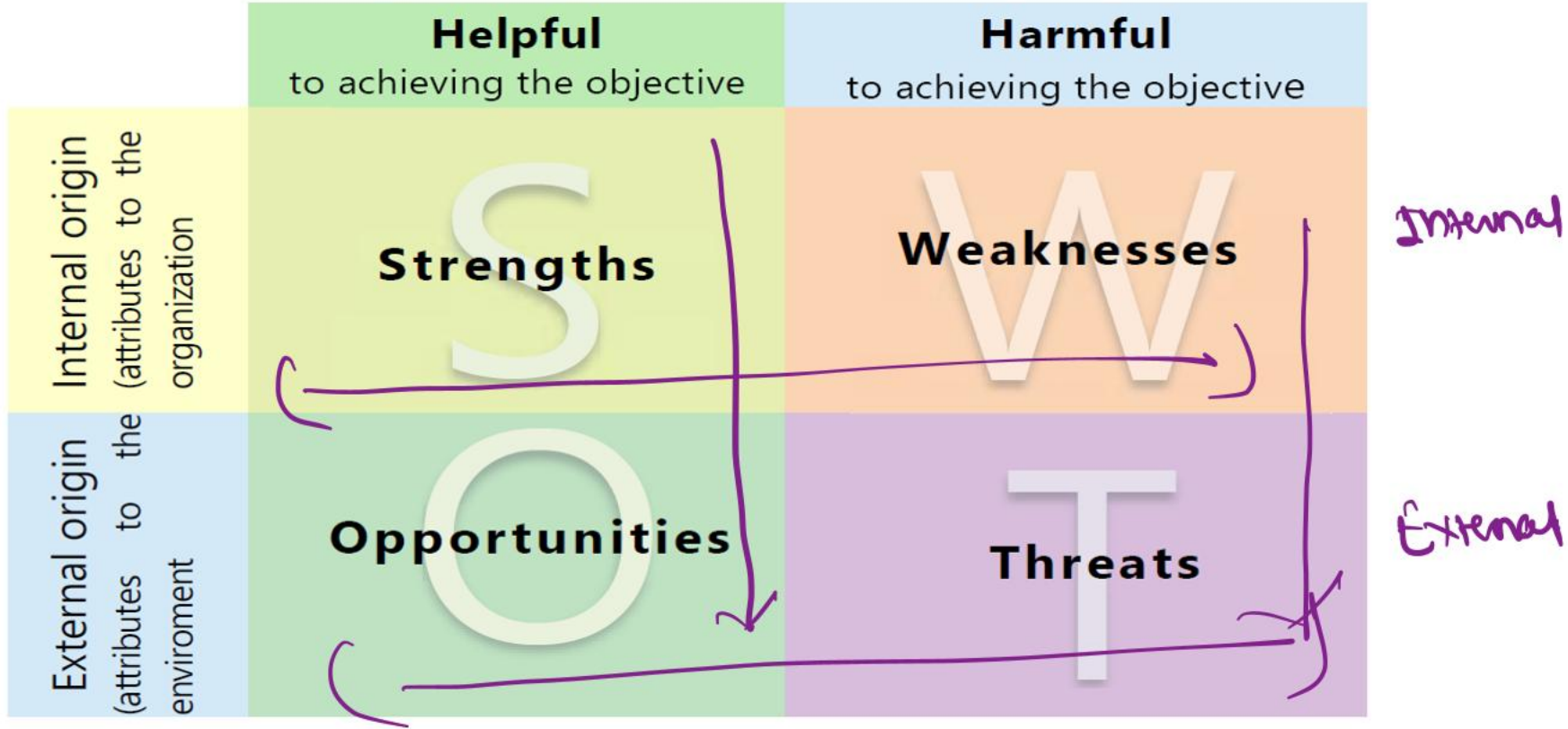
ADVANTAGES OF CORE COMPETENCIES

1. Core Competencies provide competitive advantage to the Firm in order to meet competition.
2. To ensure profits, the Firm should ensure to have a good 'fit' between Core Competencies, and the changing nature of the environment.
3. Core Competencies are the basis on which the Firm stretches into new opportunities.
4. Core Competencies help in maintaining progress, even after the traditional markets are saturated.
5. Core Competence-based diversification reduces risk and investment, and increases the opportunities for transferring learning and best practice across various Business Units.
6. Core Competencies distinguish a Company competitively and reflect its personality.

SWOT ANALYSIS

- ❑ SWOT Analysis enables a Firm in the identification of strategic alternatives by analyzing its various internal strengths and weaknesses, external opportunities and threats.
- ❑ The primary objective of a SWOT analysis is to help organizations develop a full awareness of all the factors (external as well as internal), involved in making a business decision.
- ❑ The benefit of this analysis is that it identifies the complex issues for an organisation and puts them into a simple framework.
- ❑ one of the major criticisms of this tool is that it does not generally provide for evaluation of strengths, weaknesses, opportunities and threats in the competitive context.
- ❑ An organisation while using SWOT analysis, should consider relative competitors, and external factors affecting the organisation. Although a simple tool, it is a useful starting point for analysis.

SWOT ANALYSIS



COMPONENT OF SWOT ANALYSIS

Item	Description	Example
1. Strength	Strength is an inherent capacity which a Firm can use to gain strategic advantage over its competitors. [i.e. Potential Resource Strengths and Competitive Capabilities]	Superior R&D skills which can be used for new product development so that the Company gains competitive advantage , huge production infrastructure leading to mass production & economies of scale .
2. Weakness	Weakness is an inherent limitation or constraint which creates a strategic disadvantage . [i.e. Potential Resource Weaknesses and Competitive Deficiencies]	Over dependence on a single product line or single Customer or Supplier which is potentially risky for a Firm in times of crisis .
3. Opportunity	Opportunity is a favourable condition in the Firm's environment which enables it to consolidate and strengthen its position . [i.e. Potential Opportunities and favourable situations in the environment]	Increase in Consumer Income , and growing demand for the products or services that a Company provides.
4. Threat	Threat is an unfavourable condition in the Firm's environment which creates a risk for, or causes damage to, the Firm . [i.e. Potential unfavourable situations in the environment]	Emergence of strong new competitors who are likely to offer stiff competition to the existing Companies .

SWOT ANALYSIS FOR LAW FIRM

STRENGTH

- Multiple Partners with varied expertise
- Long Term contractual service agreements 70 years of brand value
- Services spread across 20 states of India 400+ employee strength to deliver work

WEAKNESS

- Run by old methods.
- No automation of work and documentation.
- Not very employee friendly culture.

OPPORTUNITY

- Automation driven advancement.
- Startups can be supported with experienced partners.
- Investment in technology can multiply returns.

THREAT

- Online players entering market.
- AI based solutions and applications.
- Price point of online being very competitive.
- Speed of work becoming faster by the day.

SWOT Analysis for Internal or External Environment?

SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Internal analysis is more focused on understanding the existing structure and competencies of the business, thus highlighting the Strengths and Weaknesses, while External Analysis is about identifying and preparing for uncontrollable which can either be Opportunities or threats.

Therefore, SWOT Analysis is a tool which is used for both Internal and External Analysis.

COMPETITIVE ADVANTAGE

- ❑ Competitive Advantage is position of a Firm to maintain and sustain a favourable market position when compared to its competitors. This position gets translated into higher market share, higher profits when compared to those that are obtained by Competitors operating in the same industry.
- ❑ 'It is a set of unique features of a company and its products that are perceived by the target market as significant and superior to the competition.
- ❑ It is achieved when the firm successfully formulates and implements the value creation strategy and other firms are unable to duplicate it or find it too costly to imitate. Further, it can be said that a firm is successful in achieving competitive advantage only after other firm's efforts to duplicate or imitate it fails.

* You are earning higher profits as compared to your competitors.

* You are having highest market share in industry.

SUSTAINABILITY OF COMPETITIVE ADVANTAGE

The sustainability of competitive advantage and a firm's ability to earn profits from its competitive advantage depends upon four major characteristics of resources and capabilities:

1. Durability

- The period over which a competitive advantage is sustained depends in part on the rate at which a firm's resources and capabilities deteriorate.
- In industries where the rate of product innovation is fast, product patents are quite likely to become obsolete.
- Similarly, capabilities which are the result of the management expertise of the CEO are also vulnerable to his or her retirement or departure. On the other hand, many consumer brand names have a highly durable appeal.

2. Transferability

- Even if the resources and capabilities on which a competitive advantage is based are durable, it is likely to be eroded by competition from rivals.
- The ability of rivals to attack position of competitive advantage relies on their gaining access to the necessary resources and capabilities. The easier it is to transfer resources and capabilities between companies, the less sustainable will be the competitive advantage which is based on them.

3. Imitability

- If resources and capabilities cannot be purchased by a **would-be imitator**, then they must be **built from scratch**. How easily and quickly **can the competitors** build the **resources** and **capabilities** on which a firm's competitive advantage is based? This is the true test of **imitability**.
- **For example**, In financial services, innovations lack legal protection and are easily copied. Here again the complexity of many organizational capabilities can provide a degree of competitive defense. Where capabilities require networks of organizational routines, whose effectiveness depends on the corporate culture, imitation is difficult.

4. Appropriability

*appropriation of profits to those Jintu wayah
se competitive*

- Appropriability refers to the ability of the firm's owners to appropriate the returns on its **resource** base. Even where **resources** and **capabilities** are **capable** of offering **sustainable advantage**, there is an issue as to who **receives the returns** on these **resources**.
- This means, that **rewards** are directed to **from where the funds were invested**, rather than creating an advantage with no actual reward to **people to invested capital**.

Advantage has

1] Rival Sellers

2] Threat of New entrants

3] Threat of substitutes

4] Supplier Bargaining Power

5] Buyer Bargaining Power

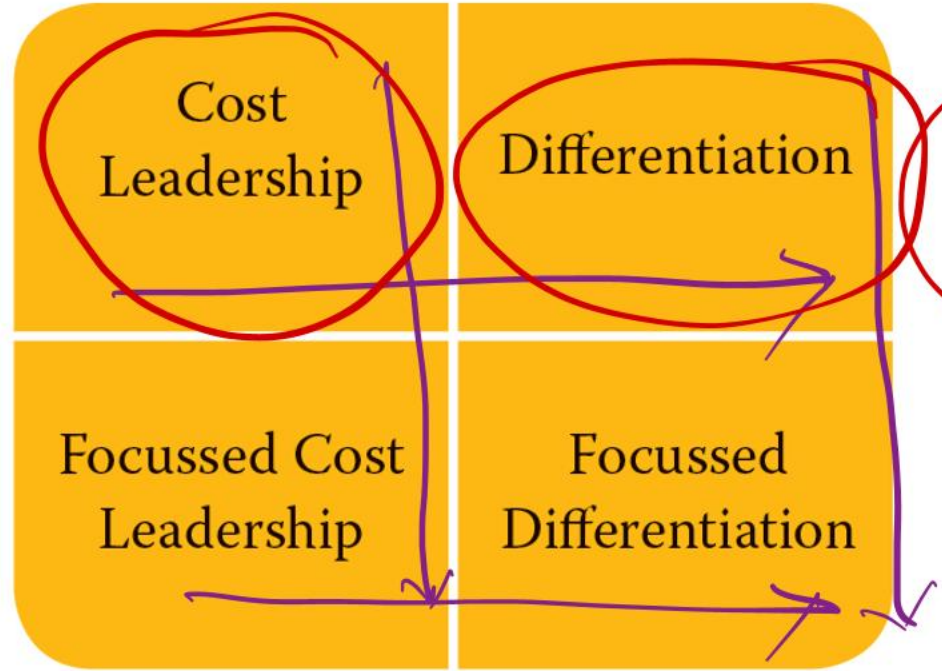
MICHEAL PORTER'S GENERIC STRATEGIES

- According to Porter, strategies allow organizations to gain competitive advantage from three different bases -: **cost leadership, differentiation, and focus.**
 - Cost leadership emphasizes on producing standardized products at a very **low per-unit cost** for consumers who are **price-sensitive.**
 - Differentiation is a strategy aimed at producing products and services considered **unique** industry-wide and directed at consumers who are relatively **price-insensitive.**
 - Focus means producing products and services that fulfil the needs of **small groups** of **consumers** with **very specific taste.**
- These strategies have been termed **generic**, because they can be pursued by any **type** or **size of business firm** and **even by not-for-profit organisations.**
- Porter's strategies imply different organizational arrangements, control procedures, and incentive systems. Larger firms with greater access to resources typically compete on a cost leadership and/or differentiation basis, whereas smaller firms often compete on a focus basis.

COMPETITIVE SCOPE

Broad Target

Narrow Target



Focus

Low-Cost
products/services

Differentiated
products/services

COMPETITIVE ADVANTAGE

COST LEADERSHIP STRATEGY

Strong

- ❑ Cost leadership Strategy requires vigorous pursuit of cost reduction in the areas of procurement, production, storage and distribution of product or service and also economies in overhead costs.
- ❑ Because of its lower costs, the cost leader is able to charge a lower price for its products than most of its competitors and still earn satisfactory profits.
- ❑ It is a low-cost competitive strategy that aims at broad mass market
- ❑ **For example**, Decathlon Group's mega sports stores have been following low-cost leadership strategy to gain international recognition and also beat competition
- ❑ Striving to be a low-cost producer in an industry can especially be effective,
 - When the market is composed of many price-sensitive buyers ✓
 - When there are few ways to achieve product differentiation ✓
 - When buyers do not care much about differences from brand to brand ✓
 - When there are a large number of buyers with significant bargaining power ✓

Zuelio

Prices are very low

Deception



Engagements

=

- ❑ The basic idea is to underprice competitors and thereby gain market share driving some of the competitors out of the market.
- ❑ A successful cost leadership strategy usually permeates the entire firm, as evidenced by high efficiency, low overheads, limited perks, intolerance of waste, intensive screening of budget requests, wide span of controls, rewards linked to cost containment, and broad employee participation in cost control efforts.
- ❑ Some risks of pursuing cost leadership are;
 - That competitors may imitate the strategy, therefore driving overall industry profits down;
 - That technological breakthroughs in the industry may make the strategy ineffective; or that buyer interests may swing to other differentiating features besides price.

ACTION PLAN TO ACHIEVE COST LEADERSHIP STRATEGY

1. Prompt forecasting of demand of a product or service.
2. Optimum utilization of the resources to achieve cost advantages.
3. Achieving economies of scale; thus, lower per unit cost of product/service.
4. Standardisation of products for mass production to yield lower cost per unit.
(Example of McDonald's)
5. Invest in cost saving technologies and using advance technology for smart efficient working.
6. avoid Resistance to differentiation till it becomes essential.

ADVANTAGES OF COST LEADERSHIP STRATEGY

A cost leadership strategy may help to remain profitable even with rivalry, new entrants, suppliers' power, substitute products, and buyers' power.

1. **Rivalry** – Competitors are likely to avoid a price war, since the low-cost firm will continue to earn profits even after competitors compete away their profits.
2. **Buyers** – Powerful buyers/customers would not be able to exploit the cost leader firm and will continue to buy its product.
3. **Suppliers** – Cost leaders are able to absorb greater price increases from suppliers before they need to raise prices for customers.
4. **Entrants** – Low-cost leaders create barriers to market entry through their continuous focus on efficiency and cost reduction.
5. **Substitutes** – Low-cost leaders are more likely to lower the costs to induce existing customers to stay with their products, invest in developing substitutes, and even purchase patents.

RM	10	11	11
labour	2		
overheads	3		
Cost	<u>15</u>		

Others are given
at

24	26
	28

selling price $20 + 1$
= 21

DISADVANTAGES OF COST LEADERSHIP STRATEGY

1. Cost advantage may not last long as competitors may imitate cost reduction techniques.
2. Cost leadership can succeed only if the firm can achieve higher sales volume.
3. Cost leaders tend to keep their costs low by minimizing cost of advertising, market research, and research and development, but this approach can prove to be expensive in the long run.
4. Technological advancement areas a great threat to cost leaders.

875 Students
↓
equal.

35000	20000
500	600
17500000	12000000

DIFFERENTIATION STRATEGY

- ❑ This strategy is aimed at broad mass market and involves the creation of a product or service that is perceived by the customers as **unique**. The uniqueness can be associated with **product design**, **brand image**, **features**, **technology**, **dealer network** or **customer service**. Because of differentiation, **the business** can charge a **premium for its product**.
- ❑ **For example**, Domino's Pizza has been offering home delivery within 30 minutes or the order is free, is a unique selling point that differentiates it from its rivals.
- ❑ Differentiation does not guarantee competitive advantage, especially if standard products sufficiently meet customer needs or if rapid imitation by competitors is possible.
- ❑ Successful differentiation can mean greater product flexibility, greater compatibility, lower costs, improved service, less maintenance, greater convenience, or more features.
- ❑ **Product development** is an example of a strategy that offers the **advantages** of differentiation.
- ❑ Differentiation strategy should be pursued only after a careful **study of buyers' needs** and preferences to determine the **feasibility** of **incorporating one or more differentiating features** into a **unique product** that features **the customers' desired attributes**.
- ❑ A successful differentiation strategy allows a firm to charge a higher price for its product and to gain customer loyalty, because consumers may become **strongly attached** to the **differentiated features**

- ❑ Special features that differentiate one's product can include superior service, spare parts availability, ~~X~~ engineering design, product performance, useful life, gas mileage, or ease of use.
- ❑ Some risks of pursuing Differentiation Strategy are
 - The unique product may not be valued high enough by customers to justify the higher price. When this happens, a cost leadership strategy will easily defeat a differentiation strategy.
 - competitors may develop ways to copy the differentiating features quickly.

BASIS OF DIFFERENTIATION

1. Product

- **Innovative products** that meet customer needs can be an area where a company has an advantage over competitors.
- However, the pursuit of a **new product offering can be costly** – **research and development**, as well as **production and marketing costs** can all add to the cost of **production and distribution**. The payoff, however, can be great as **customer's flock to be among the first to have the new product**.
- **For example**, Apple iPhone, has invested huge amounts of money in R&D, and the customers' value that. They want to be among the first ones to try the new offerings from the company.

2. Pricing

- It fluctuates based on its supply and demand and may also be influenced by the customer's **ideal value for a product**.
- Companies that differentiate based on **product price** can either **determine to offer the lowest price** or **can attempt to establish superiority through higher prices**.
- **For example**, Apple iPhone dominates the **smart phone segment** by charging **higher prices** for its **products**.

3. Organisation

- Organisational differentiation is yet another form of differentiation.
- Maximizing the power of a brand or using the specific advantages that an organization possesses can be instrumental to a company's success.
- Location advantage, name recognition and customer loyalty can all provide additional ways for a company differentiate itself from the competition.
- **For example**, Apple has been building customer loyalty since years and has a fanbase of consumers that are called "Apple Fanboys/Fangirls".

ACTION PLAN TO ACHIEVE DIFFERENTIATION STRATEGY

1. Offer utility to the customers and match products with their tastes and preferences.
2. Elevate/Improve performance of the product.
3. Offer the high-quality product/service for buyer satisfaction.
4. Rapid product innovation to keep up with dynamic environment.
5. Taking steps for enhancing brand image and brand value.
6. Fixing product prices based on the unique features of product and buying capacity of the customer.

ADVANTAGES OF DIFFERENTIATION STRATEGY

A differentiation strategy may help an organisation to remain profitable even with rivalry, new entrants, suppliers' power, substitute products, and buyers' power.

1. **Rivalry** - Brand loyalty acts as a **safeguard** against **competitors**. It means that **customers** will be less **sensitive** to **price increases**, as long as the firm **can** satisfy the **needs** of its customers.
2. **Buyers** – They do not negotiate for price as they get special features and they have fewer options in the market.
3. **Suppliers** – Because differentiators charge a premium price, they can afford to absorb higher costs of supplies as the customers are willing to pay extra too.
4. **Entrants** – Innovative features are an expensive offer. So, new entrants generally avoid these features because it is tough for them to provide the same product with special features at a comparable price.
5. **Substitutes** – Substitute products can't replace **differentiated products** which have **high** brand **value** and enjoy **customer loyalty**.

COST

$$30000 + 5000 = 35000$$

RM

labour

overhd.

↓

20000

↓

5000 (+)

25000

DISADVANTAGES OF DIFFERENTIATION STRATEGY

1. In the long term, uniqueness is difficult to sustain.
2. Charging too high a price for differentiated features may cause the customer to switch-off to another alternative. As we see a shift of iPhone users to other android flagship smart phones.
3. Differentiation fails to work if its basis is something that is not valued by the customers. Home delivery of packed snacks in 30 minutes would not even be a differentiator as the consumer wouldn't value such an offer.

FOCUSED STRATEGY

- ❑ A successful focus strategy depends on an industry segment that is of sufficient size, has good growth potential, and is not crucial to the success of other major competitors.
- ❑ Strategies such as market penetration (new product for existing customers) and market development (new product for new customers) offer substantial focusing advantages.
- ❑ Midsize and large firms can effectively pursue focus-based strategies only in conjunction with differentiation or cost leadership-based strategies. All firms in essence follow a differentiated strategy. Because only one firm can differentiate itself with the lowest cost, the remaining firms in the industry must find other ways to differentiate their products.
- ❑ Focus strategies are most effective when consumers have distinctive preferences or requirements, and when the rival firms are not attempting to specialize in the same target segment.
- ❑ Risks of pursuing a focus strategy are
 - The possibility of numerous competitors recognizing the successful focus strategy and imitating it.
 - The consumer preferences may drift towards the product attributes desired by the market as a whole.
 - An organization using a focus strategy may concentrate on a particular group of customers, geographic markets, or on particular product-line segments in order to serve a well-defined but narrow market better than competitors who serve a broader market.

- ❑ **Focused cost leadership:** A focused cost leadership strategy requires competing based on price to target a narrow market. A firm that follows this strategy does not necessarily charge the lowest prices in the industry. Instead, it charges low prices relative to other firms that compete within the target market. Firms that compete based on price and target a narrow market follow a focused cost leadership strategy.
- ❑ **Focused differentiation:** A focused differentiation strategy requires offering unique features that fulfil the demands of a narrow market. Similar to focused low-cost strategy, narrow markets are defined in different ways in different settings. Some firms using a focused differentiation strategy concentrate their efforts on a particular sales channel, such as selling over the internet only. Others target particular demographic groups. Firms that compete based on uniqueness and target a narrow market are following a focused differentiations strategy. For example, Rolls-Royce sells limited number of high-end, custom-built cars.

* Focused Cost leadership - narrow market -
Specific set of customers - price is lowest.

* Focused Differentiation - narrow market
Specific set of customers - differentiation
is valued - premium price can be charged.

ACTION PLAN TO ACHIEVE FOCUSED STRATEGY

1. Selecting **specific niches** which are not covered by cost leaders and differentiators.
2. Creating **superior skills** for catering such niche markets.
3. Generating **high efficiencies** for serving such **niche markets**.
4. Developing **innovative ways** in managing the **value chain**.

ADVANTAGES OF FOCUSED STRATEGY

1. Premium prices can be charged by the organisations for their focused product/services.
2. Due to the tremendous expertise in the goods and services that the organisations following focus strategy offer, rivals and new entrants may find it difficult to compete.

DISADVANTAGES OF FOCUSED STRATEGY

1. The firms lacking in distinctive competencies may not be able to pursue focus strategy.
2. Due to the limited demand of product/services, costs are high, which can cause problems.
3. In the long run, the niche could disappear or be taken over by larger competitors by acquiring the same distinctive competencies.

Test schedule = SM-2 Monday - 5th
FRG-2 Tuesday - 6th

Quiz = Capital Budgeting (after 26th plan)
INCM

Test paper checking = 4 test.

Type of Competitive Advantage Being Pursued

