

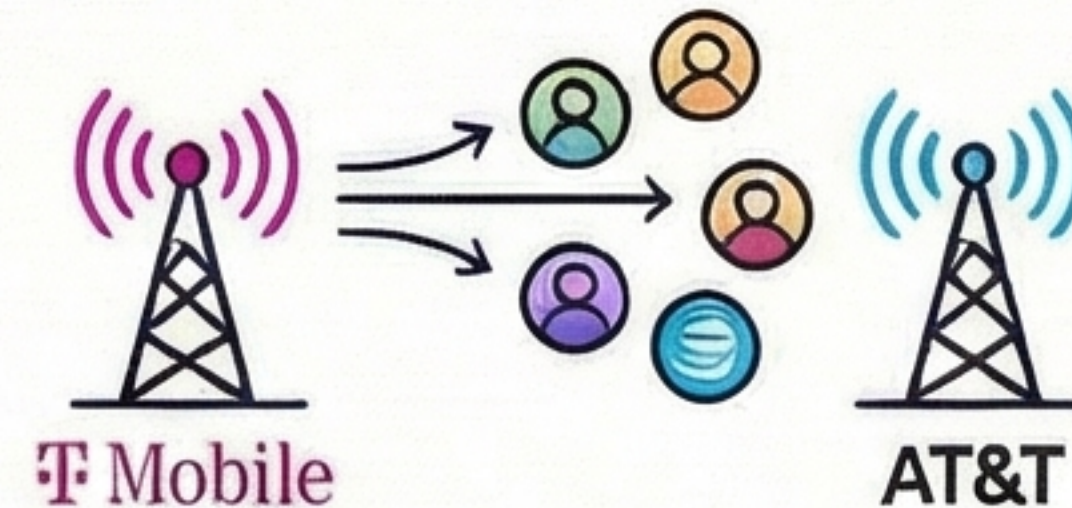
Four Strategies for Gaining Market Share

A company's market position is measured by its share of the market, mind, and heart. To improve this position, companies can employ four core strategies focused on competing within existing markets or expanding the market itself.

Strategies for Existing Markets

1. Steal-Share Strategy

Focuses on attracting customers directly from competitors.



EXAMPLE: T-Mobile targets Verizon & AT&T customers, not first-time phone buyers.

2. Market-Penetration Strategy

Aims to increase sales by encouraging existing customers to buy more.



EXAMPLE: Starbucks uses loyalty programs to encourage more frequent visits.



Strategies for Market Expansion

3. Market-Growth Strategy

Focuses on bringing new customers into the entire product category.



KEY FINDING: This strategy benefits all companies in the market, especially market leaders.



4. Market-Creation Strategy

Involves creating an entirely new category where no direct competition exists.



EXAMPLE: Uber (ridesharing) and Airbnb (short-term lodging) created new markets.



THE DEFENDER'S PLAYBOOK: STRATEGIES TO PROTECT YOUR MARKET SHARE

Business success attracts competition, forcing companies to defend their market position. This involves both immediate, reactive responses to competitor actions and proactive, long-term strategies centered on building unique strengths.



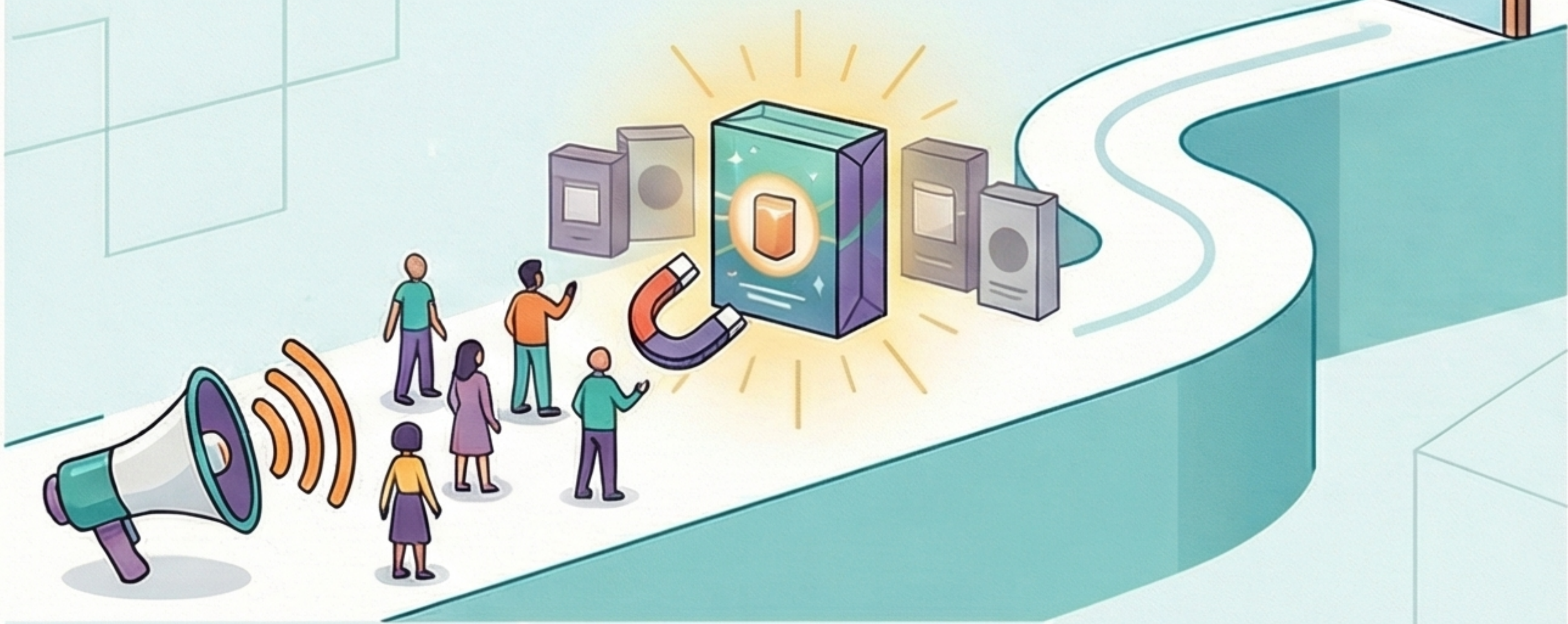
Two Paths to Organic Sales Growth

Growing sales organically through two distinct strategies: acquiring new customers (adoption) and increasing sales from existing customers (usage).

Path 1: Acquiring New Customers (The Adoption Funnel)

3. Availability & Purchase

The offering must be easy to find, access, and ultimately buy.



1. Awareness

Potential customers must know your offering exists through communication and marketing efforts.

2. Attractiveness

They must perceive your offering's benefits as superior to competitors.

The Problem (Gap)

The Solution

The Problem (Gap)

The Solution

The Problem (Gap)

The Solution



Awareness Gap



Improve marketing communications and reach.



Attractiveness Gap



Redesign the offering or clarify its value.



Purchase Gap



Offer incentives like discounts or financing.

Path 2: Selling More to Existing Customers (The Usage Funnel)

1. Satisfaction

Current customers must have a positive post-consumption experience with your offering.

2. Usage Frequency & Quantity

Encourage customers to use the offering more often and in greater amounts.

3. Repurchase

Make it incredibly simple for customers to re-order, repurchase, or renew.



The Problem (Gap)

The Solution

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The Problem (Gap)

The Solution



Satisfaction Gap



Improve the product experience or provide better user education.



Usage Gap



Promote new use cases or educate on optimal quantity.

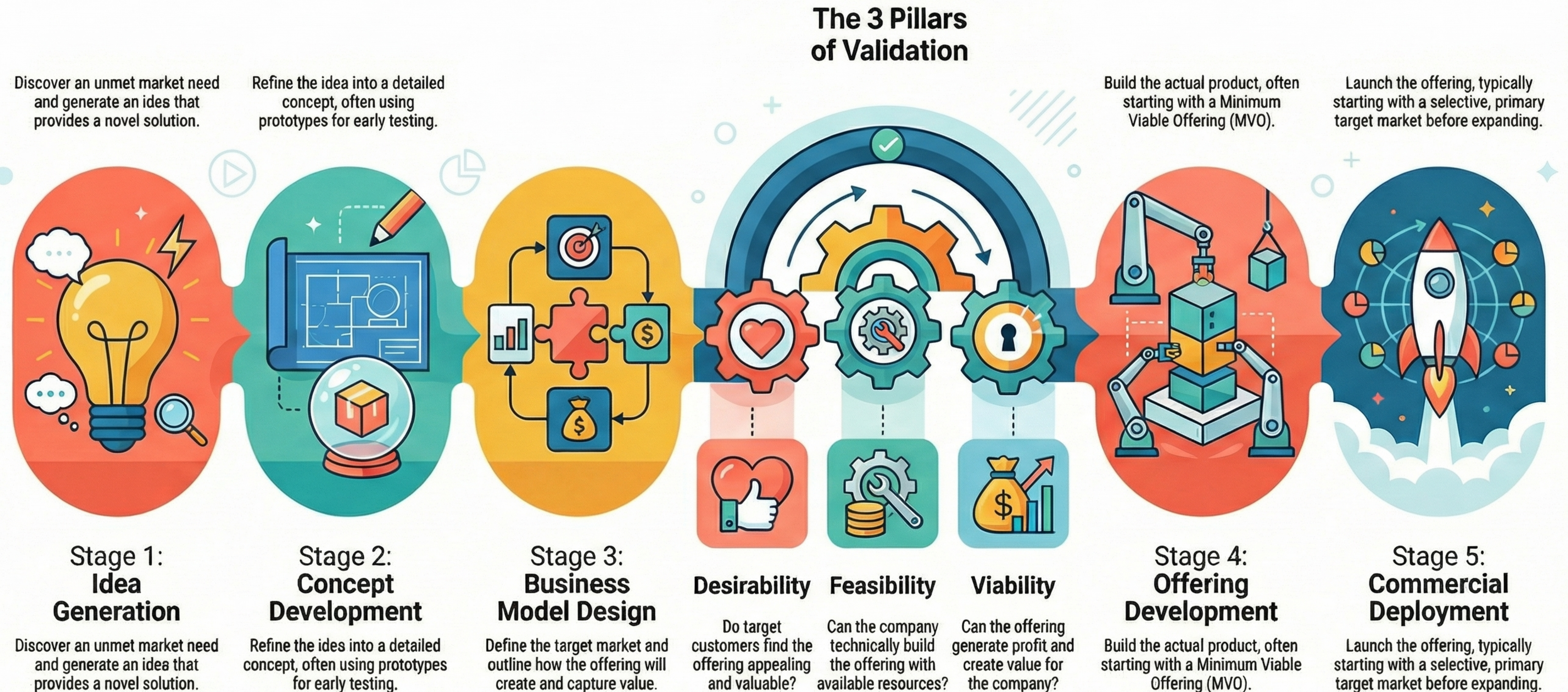


Repurchase Gap



Streamline the re-ordering process (e.g., subscriptions).

The Stage-Gate Roadmap: Developing Successful Market Offerings



Mastering Your Product Portfolio: A Guide to Lines, Platforms & Growth

Strategic management balances customer needs and efficiency to create value, avoid costs, and manage cannibalization risks.

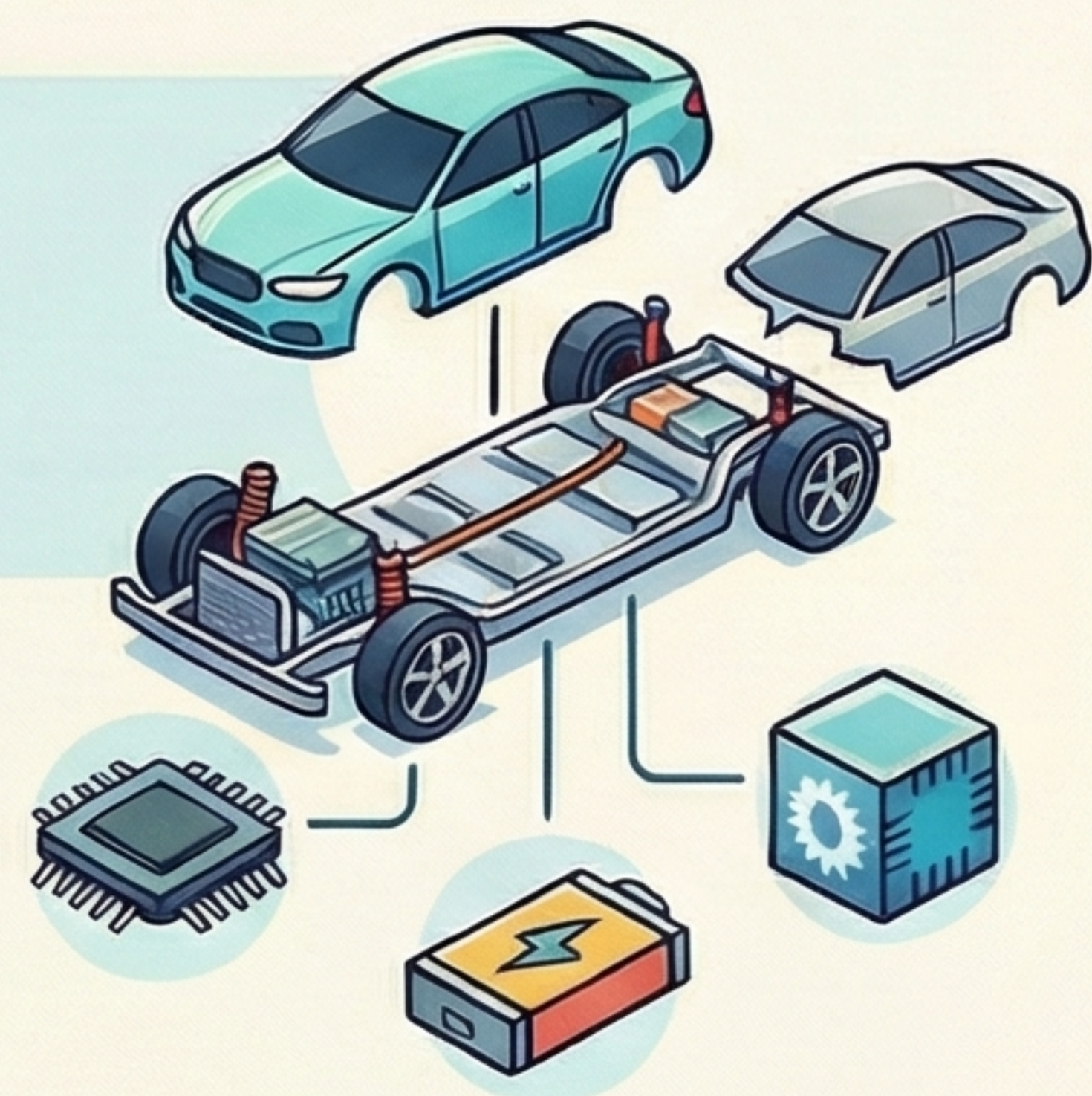


Product Lines: The Customer-Facing View

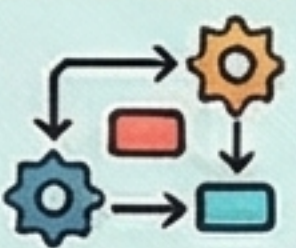
A group of related products organized by the customer needs they fulfill.

Product Platforms: The Internal Efficiency View

A shared architecture of components and processes used to build multiple products.



Strategic Focus & Goals Comparison

	Primary Focus: Customer Benefits & Variety		Primary Focus: Internal Processes & Efficiency
	Strategic Goal: Market Differentiation		Strategic Goal: Standardization & Cost Reduction
	Example: GM's brands (Chevrolet, Buick, Cadillac)		Example: VW's shared chassis across different car models

Extending the Line: Two Paths to Growth

Vertical Extensions: Moving Up or Down Market

Adding products at different price and quality tiers (upscale or downscale).



Downscale Example: Mercedes-Benz A-Class

A lower-priced entry point to attract a broader customer base.



Horizontal Extensions: Offering More Variety

Adding products at the same price tier that differ in benefits like flavor or color.



Variety Example: Colgate Toothpaste

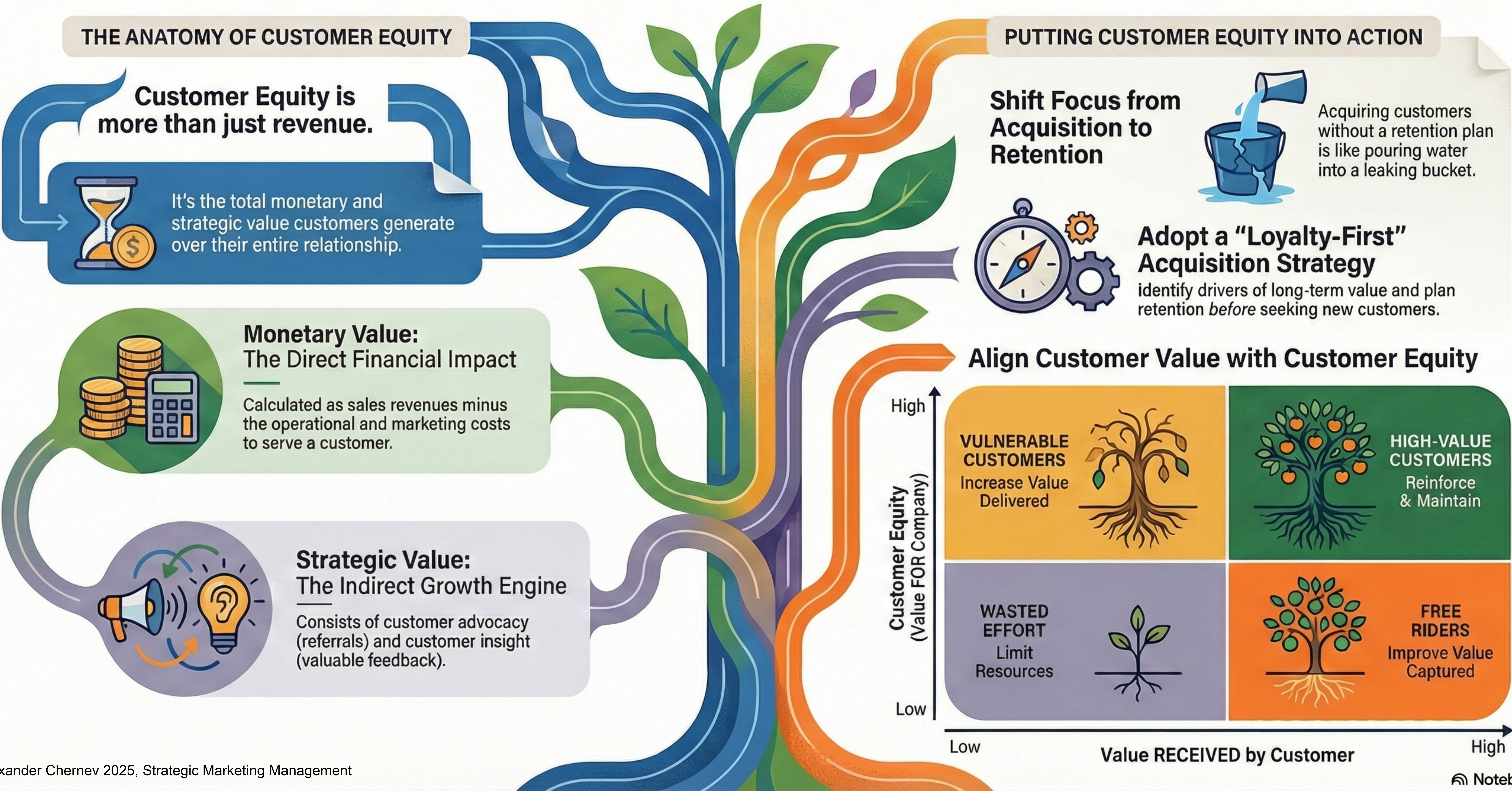
Over 100 varieties catering to diverse consumer tastes and preferences.

The Core Challenge: Avoiding Cannibalization

Extensions must attract new customers, not just steal sales from existing offerings.



Building Customer Equity: Your Blueprint for Sustainable Growth



The Market Research Playbook: From Problem to Decision

Phase 1: Setting the Foundation

Phase 2: Gathering Insights & Taking Action

