

# Study: bose

Business



Some companies don't conduct expensive marketing research, spell out elaborate competitive strategies, and spend huge sums on advertising. These companies sketch out strategies on the fly, create more satisfying solutions to customer needs, and win customer loyalty with or without knowing it – like Bose. Michael Treacy and Fred Wiersema classified competitive marketing strategies into three more customer-centered strategies: operational excellence, customer intimacy, and product leadership. A company with operational excellence provides superior value by leading its industry in price and convenience.

It works to reduce costs and create a lean and efficient value-delivery system. It serves customers who want reliable, good-quality products or services, but who want them cheaply and easily.

A company with customer intimacy provides superior value by precisely segmenting its markets and tailoring products or services to match exactly the needs of target customers. It serves customers who are willing to pay a premium to get precisely what they want. It does almost anything to build long-term customer loyalty and capture customer lifetime value.

A company with product leadership provides superior value by offering a continuous stream of leading-edge products or services. It relentlessly pursues new solutions and get new products to market quickly.

It serves customers who want state-of-the-art products and services. In a given target market a company can have one of four different competitive positions: market leader, market challenger, market follower and market nicher. Market leader is the firm in the industry with the largest market

share. Market challenger is a runner-up firm that is fighting hard to increase its market share in an industry.

Market follower is a runner-up firm that wants to hold its share in an industry without rocking the boat. Market nicher is a firm that serves small segments that the other firms in an industry overlook or ignore.

Each market position calls for a different competitive strategy. For example, the market leader wants to expand total demand and protect or expand its share. Market nichers seek market segments that are big enough to be profitable but small enough to be of little interest to major competitors. Bose is a market leader.

First, Bose is essentially customer-focused without knowing it.

The company has its unique business philosophy which translates into a clear differentiation strategy. Through differentiating its product lines with features and attributes that other companies don't have, Bose offers customers superior value that other companies cannot offer. Bose cares more about their customers' interests by making the best products than about maximizing profits. This makes Bose win the high level of consumer trust and establish a strong brand image.

Second, Bose pursues its product leadership.

With its technological leadership, the company continuously pursues new solutions and offers a stream of leading-edge products to satisfy customers' needs of state-of-the-art products. Third, Bose has larger market share in its target market. According to market information from NPD Group, Bose leads <https://assignbuster.com/study-bose/>

the market in home speakers with a 12.6 percent share. And that market share translates into financial performance. All these establish Bose as a frontrunner in the