Chapter 7: Answers to Questions for Review and Discussion

2.   How do the concepts of value and the value chain define how marketers should try to segment markets?

When a segment of customers seek similar kinds of value, the supplier can address that segment with a relatively simple offering, much simpler than if the segment has a great deal of diversity in the kinds of value they seek. Tracing the value chain backwards from the offering, a relatively simple offering implies that the construction of the value chain will also be relatively simple. Hence, costs will be relatively low and the company can concentrate on supplying superior value. This means that finding segments based on similar value sought will tend to produce a higher level of performance for the supplier.

8.   Why can marketers only hope to influence positioning and not create it?

Marketers can only hope to influence positioning rather than create it because it is generated in the mind of the prospective customer against attributes that are not always clear or fully measurable. Many positioning influences are not in the direct control of the marketer.

11   Explain why mass markets require offerings with fewer distinctions than niche markets.

Mass markets require offerings with fewer distinctions than niche markets because there is generally little variation in needs across customers or the costs of meeting varied needs are too great to warrant targeting subgroups within the mass market.

13.   How is McKenna's philosophy of market ownership, discussed in Chapter 2, reinforced by the TALC positioning strategies suggested in this chapter?

The TALC suggests that a "gorilla" will emerge during a tornado. Standards are built around the offering of the gorilla. Indeed the pragmatist market wants a gorilla to emerge so that order is established in the market. Market ownership roughly corresponds to a gorilla position in the market. Whether it's called market ownership or becoming the gorilla, this position in the market is desirable to achieve and both concepts describe similar routes to its achievement.