

## Practice Question: Global Competition

---

Salim Brommer is the Marketing Director of Ashkol Furniture Supplies, a medium-sized company which specializes in manufacturing office furniture. The company makes its products in India, so benefiting from relatively low labour costs.

However it has recently experienced intense competition from suppliers who have even lower cost bases. Salim has decided that his company will benefit if he focuses on those customers who can provide higher profit margins.

He has decided to target domestic customers in Europe. Increasingly private households, particularly those with computers, are converting spare rooms into office-style areas. Additionally there has been a noticeable trend towards working from home. This saves employers incurring the costs of office provision, and also employees save on travel and can also work at times convenient to themselves. However Ashkol has no experience of dealing with these types of customer.

The company now needs to develop a suitable marketing strategy to succeed in this new area and maintain a sustainable competitive advantage.

**Required:**

Using a suitable model of your choice develop a marketing approach which Salim might use to enter this new market. (12 marks)

**(b) Discuss how strategies can be used to create and sustain competitive advantage.**

(8 marks)

**(Total: 20 marks)**