

## **Acquiring Market Flexibility via Niche Portfolios: The Case of Fisher & Paykel WhiteGoods**

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# Acquiring Market Flexibility via Niche Portfolios: The Case of Fisher & Paykel WhiteGoods

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## Abstract

*The instability of niche markets, and their predisposition to catastrophic collapse, makes market flexibility a prerequisite for long-term survival among niche marketers. This article describes how a niche marketer can acquire this market flexibility via the development of a portfolio of niches. An in depth discussion of niche instability/implosion, and how niche market flexibility can be acquired to increase the survivability of such events, provides the context for a single in-depth case study of a company employing a systematic niche market portfolio flexibility approach that allows it to not only survive, but prosper, in the face of such events. Planning for flexibility is essential for long-term survival as a niche marketer. The article has substantial implications for practice, as fragmentation of markets and globalisation of production makes niche marketing desirable/essential for many players.*

**Keywords:** Flexibility, Niche, Portfolio, Strategic planning

## Market turbulence and niche instability

The concept that most markets consist of a 'mainstream' and a series of niches is well established in the marketing literature (Kenna, 1988). The strategies by which (relatively) small companies can survive by inhabiting niches that are either too small for larger companies to address, or that are not considered to be worth their while, is also well developed (Shani and Shalasanani 1991; Hamel and Prahalad, 1990; Pravit, 1990; Jain, 2005; Leflang, 1990). The process by which these smaller companies identify, adapt to and fortify these niches is collectively known as 'niche marketing'. Niche marketing is primarily a defensive strategy, which is used by weaker players to avoid stronger ones (Dalgic, 2006; Hezar, *et al* 2006; Bantel, 1997; Delany, 1995; Leflang, 1990, Jain, 2005 Dalgic, 1994) Some aggressive niche strategies do exist, of which 'Shady Corners', the use of multiple niches to act as a springboard for an aggressive move into a mainstream market, is the best known method, and the penetration of the North American market for heavy machinery by the then small and aggressive entrant, 'Komatsu', is the best known example of it (Gaudes, 2004).

A company that utilises the aggressive 'shady corners' strategy is likely to be a source of market turbulence. However, the majority of the literature concentrates on defensive niche marketing. This research has led to a series of recommendations as to how best to go about implementing a niche marketing strategy. These recommendations are summarised in Figure 1, which owes a good deal to the recent

publication on niche marketing “A Handbook of Niche Marketing” (Dalgic, 2006 Ed.). One of the most striking aspects of these sources is the lack of emphasis on contingencies for dealing with market turbulence, or even the more sedate process of market development. The majority of the recommendations are highly single-nichocentric to coin an ugly phrase. The recommendations are heavily reliant on the assumption that conditions within the niche will continue indefinitely or, at worst, will change only slowly. As market development, with or without turbulence, is a fact of life in the modern commercial marketplace, these nichocentric recommendations may be highly dangerous if they are embraced too whole heartedly. As they are small, and rely on a degree of isolation, niches have the capacity to be highly volatile relative to the mainstream market, and explosive niche collapse is not unknown (Cuthbert, 1996). Therefore, market development/turbulence that may be merely an inconvenience to a major player may be lethal to a company that has become overly adapted to a niche that is suddenly radically modified, opened up or even eliminated by what may be minor changes in the overall structure of a market.

The various ways in which events can conspire against a niche marketer are summarised in Figure 2, together with some examples. As can be seen, even the most highly adapted niche marketer can be undone by such ‘external’ developments, and unless they can react rapidly to their changing circumstances, and either find a new niche rapidly, or find a new source of sustainable competitive advantage within their (modified) existing one, they are unlikely to survive.

### **Acquiring strategic flexibility via niche portfolios**

Such a rapid and costly response is unlikely to be possible unless some advance planning has occurred. Therefore it can be inferred that a niche marketer that does not keep abreast of the wider market, and that does not seek to develop some degree of strategic flexibility via contingency plans for the more likely negative, externally located developments within their niche does not have a good long term chance of survival, regardless of the healthiness of their current position, and the extent of their adaptation to their current micro-environment.

However, this requirement for strategic flexibility does set up a degree of tension within the overall strategy of the niche marketer. Most companies adopt a niche marketing strategy because their resources are highly limited both in relative and absolute terms (Kotler, 2003; Shani and Chalasani, 1992; Campbell-Hunt, 1999; Miles and Snow, 1987; Ibrahim, 1992; Shuman and Seeger, 1986; Harling and Quail, 1990). Niche marketing allows them to concentrate these resources on a small market to achieve critical mass in their offer development, delivery and communications activities. Any diversion of resource to strategic flexibility planning therefore has the potential to dilute and disrupt the effort of the company to the point where they fall below this critical mass and therefore become vulnerable to established mainstream players or new niche entrants (Dyer, 1998).

Strategic flexibility planning also shares one of the most serious problems of new product development, in that the strategic issues that it addresses are in the future and not immediately ‘in the face’ of the company’s management. Frequently this means that the activity is starved of attention and resources until the future scenario it was supposed to address actually occurs, by which time it is, of course, too late (Anderson

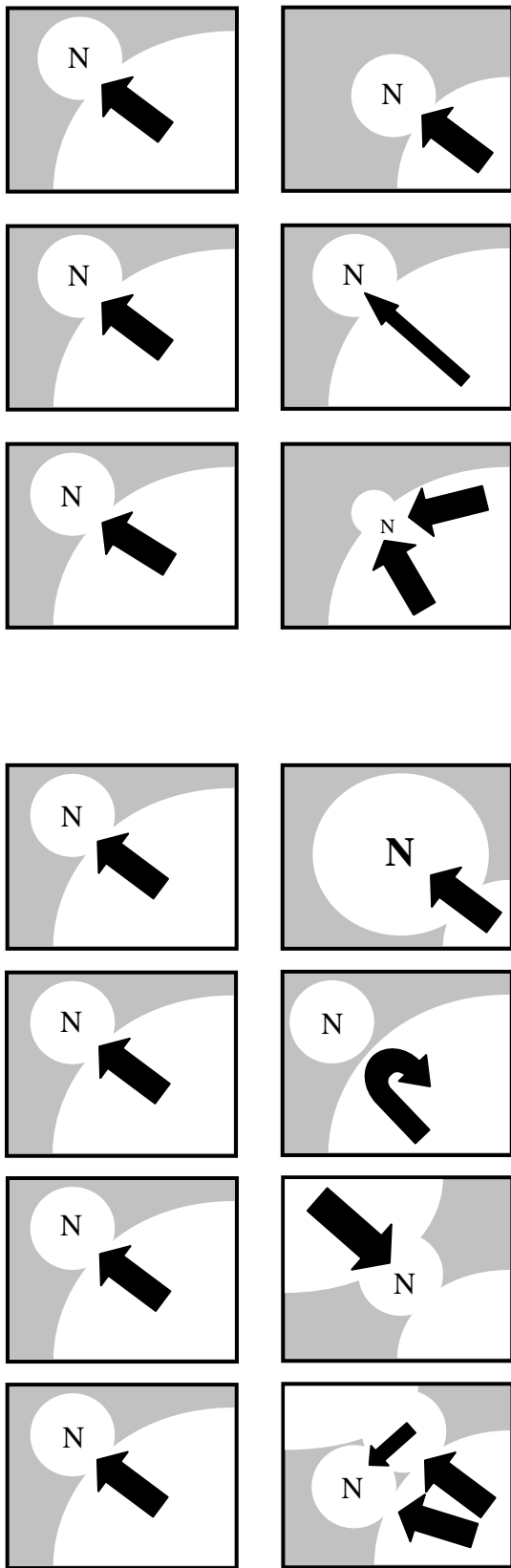
and Zeithmal, 1984; Harling and Quail, 1990; Verhees, 2004; Clemmer, 1995; Shuman and Seeger, 1986; Gilmore, 1971, Linneman and Kennel, 1977; Rice, 1983, Van Kirk and Noonan, 1982, Harling, 1992, Hofer, 1975)

The issue is further complicated by the fact that the issue of strategic flexibility for niche marketing has been not addressed directly by articles in the literature. Dalgic & Leeuw (1994) do give a series of steps/practical guidelines for the application of an overall niche strategy, but flexibility is only mentioned obliquely in these steps as one aspect of this strategy. As a consequence of this dearth of dedicated research, there is no template which can be used to give the activity structure, and therefore a fighting chance of acquiring the necessary resources. This is a role that the New Product Development Process, as it is described in most strategic innovation sources, is largely devoted to addressing (Verhees, 2004; Anderson & Zeithmal, 1984; Gilmore, 1971).

**Figure 1: Summary of recommendations for implementing a niche marketing strategy**

Authors	Recommendations
<b>Simon (1992, 1996) in Dalgic (2006) Ed.</b>	Become an ultraspecialist <ul style="list-style-type: none"> <li>• Follow a niche strategy – define markets very narrowly and create your own market</li> <li>• Cultivate strong mutual interdependence between you and your customer, built on economics and rationality (this helps create strong entry barriers)</li> <li>• Match internal competencies with external opportunities</li> <li>• Integrate technological orientation with marketing orientation</li> <li>• Avoid outsourcing core activities</li> </ul>
<b>Oviatt, B. M. &amp; P.P. McDougal (1994) (1995) in Dalgic (2006) Ed.</b>	Become a Global Player <ul style="list-style-type: none"> <li>• Control (rather than own) assets particularly unique knowledge that creates value in more than one country. (2)</li> <li>• Importance of alternative governance structure to promote increased concentration of limited resources on the primary sources of competitive advantage(2)</li> <li>• Choose a product mix with demand that is of a global nature (3)</li> <li>• Maintain a global vision from inception (3)</li> <li>• Recruit internationally experienced managers with strong networks(3)</li> <li>• Sell a unique product with “preemptive” product attributes. (3) Maintain unique intangible assets such as tacit know-how to sustain advantage (3)</li> <li>• Maintain a program of incremental innovation (3)</li> </ul>
<b>McKinsey (1993) in Dalgic (2006) Ed. (7), Shani and Chalasani (1992)</b>	Maintain a Strong Customer Orientation <ul style="list-style-type: none"> <li>• Change with your customer (4)</li> <li>• Compete of value rather than price (4)</li> <li>• Strong customer focus and customize products to meet market requirements (4,5)</li> </ul>
<b>Dalgic (2006)</b>	Be a Vocal Local <ul style="list-style-type: none"> <li>• Differentiate based on local culture/lifestyle, products/services.</li> <li>• Establish a local identity</li> <li>• Market through public relations and publicity.</li> </ul>

**Figure 2: Niche development and typology of niche breakdown**



**‘Standard’ niche development**

The situation assumed in most of the niche literature. Niche development is slow and progressive and occurs at roughly the same rate as developments in its associated mainstream market. E.g. Bang & Olufsen’s design niche in the home audio market.

**‘Stiletto’ niche penetration**

One or more players in the mainstream market acquire the capability and the will to cater to the niche market. A sudden stiletto-like penetration of the niche, backed by relatively massive resource, occurs. E.g. The rapid penetration of P.C. custom-build niches by Dell.

**Niche breakdown/extinction**

The key point of difference between the niche and the mainstream market disappears, either quickly or slowly, leading to exposure of niche players to mainstream competition. E.g. Expiration of patent rights on the key ingredient of ‘Sensodyne’ toothpaste for sensitive teeth (quick). Manufacturing technology leading to increasingly narrow levels of performance differentiation between mass market ‘luxury’ car brands & their ‘standard’ equivalents (slow)

**Niche expansion**

The niche expands to the point where it becomes the mainstream, or becomes attractive to mainstream players, leading to well supported entries to the expanded market. E.g. The ‘mainstreaming’ of ‘boutique’ wines in the United Kingdom.

**Niche isolation**

The niche loses its links with the original market, becoming a small, separate market in its own right, representing a fundamentally different market situation. E.g. Equipment to play vinyl records: Mainstream – Niche – Separate collectors’ market

**Secondary market breakthrough.**

The niche becomes accessible to players within a previously unrelated mainstream market. Rapid niche penetration may occur. E.g. The penetration of the overseas financial transaction niche of the banking market by the Internet trader ‘Ebay’ via ‘Paypal’.

**Secondary niche breakthrough.**

The niche becomes accessible to players within a previously unrelated niche market. Rapid niche penetration may occur. E.g. The penetration of the ‘design driven’ portable audio market niche by the ‘design driven’ computer market niche producer ‘Apple’ via the ‘Ipod’.

How does one introduce strategic flexibility into a niche marketing company? There appear to be two major routes by which this can be done. The first is by systematic contingency planning. The company deploying this strategy systematically scans the environment beyond its niche for threats and opportunities, and develops potential capabilities that will give it the flexibility to deal with these threats and opportunities. This activity is mentioned by Leeuw & Dalgic, (1994) in several of their recommendations for niche strategy implementation. This process of market planning also has to be linked to a series of financial plans that give the company the financial flexibility to rapidly turn *potential* capability into *actual* capability should the need arise. There are a number of problems with this approach. Firstly, it is very expensive in terms of both management effort, and actual funds to maintain a range of potential capabilities that may never actually be used, both of which may significantly impact upon the viability of the company by detracting from its core niche effort. Secondly, the contingency approach is by no means infallible, and consequently carries with it a high level of residual risk. The company is only developing potential capabilities and, as a consequence, will still end up in a position where it is reacting to events. If the contingency planning fails to see a specific threat coming, or fails to correctly pre-select the response to one that it does see coming, the chances of the company surviving will be low.

The second portfolio planning approach is superficially similar to the multiple niche strategy used by aggressive 'shady corner' strategists. However, in this case, the multiple niche approach is generally defensive rather aggressive. The use of portfolios to reduce risk is well understood in the financial industry and literature. A prudent individual does not generally invest all of their resources into one instrument, but rather seeks to spread the risk and increase the stability of their returns by investing in a 'portfolio' of investments. The 'portfolio' also usually enhances the flexibility of the overall investment by staggered maturities and returns etc. (Strong, 2005). A portfolio of niches has the same effect in niche marketing. A portfolio strategy allows the niche marketer to spread their risk, and to increase their flexibility by developing a large portfolio of niches. The use of multiple niches is mentioned by Leeuw & Dalgic (1994), and is noted, via a figure, as a potential stage in establishing a corporate niche strategy. It is also directly addressed as a way of addressing vulnerabilities of over specialisation (hyper-segmentation) by the use of multiple niches (contra-segmentation), but the issue is not developed further in their discussion.

Unlike the systematic contingency planning approach described above, a company that concentrates on developing a portfolio of niches is investing in actual, rather than potential capabilities, which carry with them two advantages. The first is that the residual risk associated with developing a potential capability into an actual capability in a hurry is eliminated. The second is that these actual capabilities in other niches are self-developing in strategic terms, and are also self funding.

A company employing a niche portfolio strategy can react in a much more flexible manner to major negative developments within an individual niche within its portfolio. As long as the portfolio is reasonably diversified, then the negative development is likely to affect only that niche. The company can therefore decide at its leisure, whether its position within the niche is salvageable, and if it is, it has

external resources to draw upon to execute upon that plan. Alternatively, a relatively ruthless decision can be made to exit the niche if a solution to the problems within it cannot be rapidly developed within the existing capabilities of the company.

This is not to say that the approach is a foolproof cure-all. While the contingency portfolio approaches have been described here as alternative approaches to achieve strategic flexibility, they are not, in fact mutually exclusive, and Leeuw & Dalgic's (1994) recommendations, do in fact incorporate elements of both of them. 'Best practice', will incorporate both approaches to some extent, the exact balance being dependent upon the individual nature and circumstances of the company concerned. Although its advantages do indicate that some elements of the portfolio approach should be adopted as soon as resources permit.

The portfolio approach requires the company to think of itself as a niche marketer first and foremost, and to reduce its attachment to any single mainstream market. Some strategic options with regard to this mainstream market may therefore be eliminated if this approach is adopted, although this is by no means inevitable. The issue of general dilution of effort and over extension of restricted resources within the portfolio still remains. The niche portfolio has to be carefully constructed, so as to offer maximum diversity, strategic flexibility and reduction of risk, without committing the company to a series of initiatives that lie beyond its specific and limited core capabilities. However, if this can be done, then the outcomes in terms of risk reduction via increased flexibility can be highly worthwhile.

As niche strategists rarely survive niche implosions, and as such an implosion is often a requirement for companies to learn that such events are possible, and are therefore worth trying to avoid, good examples of planning for strategic flexibility by niche marketers are quite rare. The same can be said for potential interview and survey respondents. Luckily, the New Zealand white goods company 'Fisher & Paykel' (F&P) over the last ten years has not only survived a 'niche implosion' but has also subsequently acquired strategic market flexibility by successfully implemented niche portfolio strategy. The remainder of the article therefore illustrates the acquisition of strategic flexibility via the development of a portfolio of niches, using F&P as a single case study.

### **Fisher & Paykel 1996-2006: Acquiring strategic flexibility by niche portfolios**

New Zealand has an unusual economy. It is ranked as an OECD country, but relies very heavily on the export of primary produce to pay its way in the World. It is often described as a First World society sitting on a Third World economy. Along with many other primary produce reliant countries, New Zealand has often found it difficult to achieve a favourable balance of trade, and over the last century, the Government's usual reaction to this problem has been to restrict trade in some way. It was in this environment that F&P was founded in 1935, as a license manufacturer/assembler of whitegoods that were designed elsewhere, forming part of a Government sponsored import substitution initiative. Until 1973, these trade restrictions formed part of the network of agreements that existed within the British Empire and subsequent Commonwealth. The entry of the United Kingdom into the European Economic Community in 1973 disrupted these agreements. The response of the New Zealand Government was to seek to (successfully) establish a wider

portfolio of primary produce export markets, while balancing trade via an increasingly complex and restrictive network of trade restraints.

F&P started to design their own products in the 1950's, and rapidly advanced to a position of dominance within this artificially created whitegoods niche market. The market continued to be a niche rather than an entirely separate market. Even as trade restraints really tightened up after 1973, some contact with the outside world was maintained by F&P agreements with Kelvinator (USA) and Matsushita (Japan). Some level of competition was provided by two smaller local companies, 'Champion', who were owned by Sanyo (Japan) and the 'Atlas Majestic Company' that was owned by Simpson (Australia), and then by Electrolux (USA). F&P also exported small quantities of whitegoods to Australia (c. 5% of turnover). However, the New Zealand whitegoods niche market continued to evolve separately, and diverged from the mainstream market until, by 1985, it displayed profoundly different consumer expectations and product offerings than other more interlinked whitegoods markets across the globe.

Despite these measures, the New Zealand economy declined steadily into crisis. In 1985, the last 'protectionist' Government, led by Robert Muldoon, fell and was replaced by the Labour Government of David Lange, which at the instigation of Roger Douglas, the then Minister of Finance, demolished nearly all trade external barriers within a very short space of time. 'Rogernomics', as it was called within New Zealand, seated the removal of these import barriers within a wider range of aggressive internal, free market economic reforms, which represented the most profound shock suffered by any Western economy in recent times.

Rogernomics created literally hundreds of catastrophic niche implosions across the New Zealand economy, and an even larger number of casualties among companies that had become comfortably adapted to these niches. F&P were not among these casualties, largely because they had a breathing space created by a second line of defence that they had created within their niche. This second line of defence was a very tight set of licensing agreements that locked potential competitors out of nearly all of the major whitegoods retailers. The licensing agreements did not allow F&P and other goods to be sold out of the same store. As F&P was still the dominant brand in the early years of Rogernomics, these distributors decided that discretion was the better part of valour and, for a while, did not stock other whiteware brands, even though they were available.

This situation could not continue indefinitely, and it was eroded gradually by the emergence of small high-end specialist retailers who had no stake in the F&P brand. However, the development that finally opened the New Zealand whitegoods niche up to the mainstream was an agreement in 1995 between the German whitegoods manufacturer 'AEG' and 'The Warehouse', a bottom end 'Big Box' retailer, that allowed AEG to put an alternative range of quality branded whitegoods in front of the majority of consumers in the Nation. The AEG/Warehouse partnership was a short-term stiletto penetration exercise, and AEG goods are no longer sold via this route. The exercise was nevertheless an effective one for both parties. The Warehouse now sells large volumes of cheap Chinese whitegoods, and AEG is sold in a wide variety of outlets, along with the wide a range of other international whitegoods brands that are typically available in any other major developed economy.



The Company had, however, used its breathing space to good advantage. Although the niche that had provided it with a secure environment had finally imploded, F&P were not without advantages when compared to the mainstream brands that now entered the market in increasing numbers, and by 1995 these advantages were well understood by the Company. The small size of the New Zealand market, coupled with difficult manufacturing environment within it created by the lack of free imports of supplies and components, had left F&P with a highly flexible labour force, well used to short run quality production situations, together with a highly ingenious, flexible engineering and product development staff. Also, while the imploded niche had harboured a range of whitegoods that appeared to be highly conservative, this conservatism was also reflected in a weight and standard of build that had become increasingly rare in the larger overseas markets. In addition, the rather conservative layout of the Company's products concealed innovations that led, rather than trailed, the global technology standard in whitegoods.

F&P started to systematically leverage these advantages in order to move from a single, national niche position, defined by import controls, to a multiple, international niche portfolio position defined by its technological, innovation and flexible production competencies. The first target was Australia, and the Company officially launched the F&P brand on the national market in Australia in 1987, despite the fact that low-level imports had been proceeding for some time. A plant was constructed at Brisbane in addition to the existing F&P plants in East Tamaki (Auckland) and Dunedin (South Island). Sales in Australia climbed rapidly to over 30% of total revenue - even though this still represented a small share of the upper end of the Australian market. This push was continued with a launch in Europe at the DomoTechnica Show in 1992, so that by the time that the stiletto penetration by the AEG/Warehouse alliance occurred in 1995, F&P's sales were split roughly at: 50% Australia, 30% New Zealand, 20% Rest of the World, thereby blunting the impact of the final niche implosion. Indeed, although Rogernomics had been highly disruptive, the consumer boom that followed the freeing up of the economy had allowed F&P's total sales in New Zealand to grow, even as its market share declined.

The company continued to innovate at a high rate. The nature of its innovations is a feature of its niche positioning. F&P is a technical innovator with World leading positions in the computer control of whitegoods cycles, and particularly in its power plants. The Smartdrive™ motor is a patented device that allows F&P to create machines with capabilities that other companies cannot presently match. This level of innovation is, however, not linked with an extreme top end styling and pricing position similar to a manufacturer like Gaggenau™, which is somewhat inflexible. F&P adopts a more flexible, technology based positioning, that allows it to occupy a variety of positions within its portfolio of niches ranging from 'mid-range familiar' in New Zealand to 'mid-top end/special uses' in the United States. 'Good value for good money' may be considered to be a point of commonality

The 'Smartdrive' motor also made the development of the 'DishDraw' dishwasher possible. The DishDraw is the product for which the Company is best known internationally. The DishDraw was developed in the mid-Nineties, and first appeared in its fully functional form at the 1997 DomoTechnica Show in Cologne. It was developed from the outset to be a core identifying niche product for the Company,

and involved several paradigm shifts over existing platforms, most notably the use of a draw format for a dishwasher, and the inclusion of two completely separate dishwashers in the same standard sized unit. While it was designed as a big-hitting, global niche product on the basis of space saving, energy saving and convenience, its true value was only identified inadvertently. Israeli exhibitors at the show noted that the independent double draw design was also a unique solution to the special dietary needs of Jewish people, who have to keep meat and dairy products (and the utensils used to handle them) separate for religious reasons. This key 'special use' niche advantage allowed the product to gain presence and profile very rapidly in many urban centers of the United States. This high profile penetration has subsequently been used as a basis for leveraging other F&P branded products, such as the 'Titan' range of cookers, designed especially for target niches in the North American market, into other niche markets on the basis of their other, non-religious, advantages.

Over the last ten years F&P Whitegoods has developed from a highly competent but relatively parochial single niche player into a highly sophisticated global niche portfolio strategist. The current portfolio position is summarised in Figure 3. It is not only the number of niches that is of interest, but the number of different niche positions that are maintained by the Company within these niches, which has the effect of spreading its risk and increasing its flexibility/options – It is not simply a 'top end' niche player in multiple identical niches. However, this diverse portfolio is still maintained via the deployment of the narrow range of core competencies of the Company mentioned earlier - Applied internal technology and high quality, short-run manufacturing capability being the two most important.

F&P continues to maintain these core capabilities by acquisition and strategic alliance. The Company now maintains a close alliance with 'Whirlpool', which has seen the withdrawal of the F&P brand in the New Zealand mainstream markets for some types of appliance, and its replacement with the Whirlpool brand, distributed via F&P's networks, as F&P continues to move towards niche positions, even in its traditional home markets (Shaded in Figure 3). In return, F&P now have access to Whirlpool's international marketing and distribution networks in a number of very significant global markets, and have quietly extended their niche reach in some of these markets under Whirlpool's brand. F&P have recently deepened their technical cooperation, to the extent of constructing a factory alongside Whirlpool's existing plant in Clyde, Ohio.

F&P have also continued to add to their niche portfolio and niche related capabilities via strategic purchase. The most recent purchases include the American company 'Dynamic Cooking Systems' (DCS) in 2004. DCS is also a small quality driven niche producer of cookware within North America, whose capabilities are highly complementary to F&P's own aspirations within the market. This new US asset has been complemented by the acquisition, in June 2006, of the Italian company 'Elba', whose parent company, 'Delonghi', has divested it in order to concentrate on its core activities of heating and air conditioning products. Elba has a very similar history and culture to F&P with a limited capacity of 400,000 units annually, but Elba distribute this modest output via a highly internationalised niche portfolio that includes over 54 countries, with a strong presence in UK speciality niche markets. F&P is now working to integrate the three operations by exchanging components, complementary products and expertise between the three groups.

**Figure 3: Current Fisher & Paykel Whitegoods niche portfolio** (Shaded boxes represent mainstream, or near mainstream, positioning)

Functional Market	Regional Market				
	New Zealand	Australia	North America	Europe	Global
<b>Refrigeration</b>	Mid range, Technical features, Brand association, Quality	Mid range Technical Brand value Quality			
<b>Laundry washing</b>	Mid range Technical Brand association, Quality	Mid range Technical Brand value Quality	Mid range, Specific features (spin speed, sensors, fuzzy logic) Technical, Quality	Mid range, Technical, specific features (top loader) Quality	
<b>Laundry drying</b>	Mid range Technical Brand association Quality	Mid range Technical Brand value Quality	Mid range Specific features (temperature control) Technical, Quality	Mid range, Technical, Quality	
<b>Dishwashing</b>	High end Technical specific features (Dishdraw) (All other branded as Whirlpool) Brand value Quality	High end Technical specific features (Dishdraw) All other offerings branded as Whirlpool) Brand value Quality	High end Technical, Special use Specific feature (DishDraw, dietary requirements) Special use	High end Technical features Special use Specific features (Dishdraw, dietary requirements) Midrange std product	Yachts, marine & other compact uses
<b>Gas cooking (ovens)</b>			High end Technical Brand value, Quality	Mid range, Brand value, Quality	
<b>Gas cooking (cook tops)</b>	Mid/high range, Brand association, Quality	Mid/high range, Brand association, Quality	High end Technical , Brand value, Quality, Special use	Mid range, Brand value, Quality	
<b>Elec. Cooking (ovens)</b>	Mid/high range Technical Brand association , Quality	Mid/high range Technical Brand value Quality	Mid/high range Technical Quality	Mid/high range, Technical, Quality	
<b>Elec. Cooking (cook tops)</b>	Mid/high range Technical Brand association, Quality	Mid/high range Technical Brand value Quality	Mid/high range Technical Quality	Mid/high range Technical, Quality	

Elba sell under both their own and other brand names specialising in short high-quality runs and the CKD, (completely knocked down kit) market for niches that, like F&P's own original 'home' niche, lie behind manufacturing trade barriers.

### **Concluding remarks**

F&P was lucky to survive the implosion of its 'home' niche, although it could be argued that, it made its own luck to a certain degree by having a second line of defence in place to delay the process. However its use of this breathing space, and its reaction to its changed circumstances has been impressive. F&P has not only survived, it has prospered, and now stands as one of the most successful niche marketers of whitegoods on the globe. Like all niche marketers it does not have the many of the strengths of its mainstream competitors, yet it has leveraged two or three core competencies to create a portfolio of niche positions that give it a degree of market flexibility that belies this narrow set of competencies, and its restricted resources. The acquisition of market flexibility by this diverse portfolio of niche positions has endowed F&P with a degree of stability within its overall operations that gives it great potential for survival and for further growth, both of which make it an attractive investment proposition. Therefore, while it seems that the F&P brand will almost certainly survive and grow, whether the Company itself will survive as an independent New Zealand owned and based corporate entity is rather more uncertain.

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