Introduction

(1) Problem formulation (definition)

A field of research perhaps best known for its conceptual obscurities throughout the different scientific disciplines which entail it as a concept, the niche has held itself as one of the core concepts of ecology. It has been invaluable for population research in sociology and uncontested market space in management science for over a century. The focus of attention of the thesis will be on the strategic management of market niches, where the research goal of this thesis is the construction of a comprehensive new market niche model framework in strategic management. The key elements developed in this model provide an extensive framework for the construction of a strategic management theory of market niches.

The importance of market niche strategies has been gaining in relevance since the end of the twentieth century due to several different reasons. The main underlying reason for the emergence of market niches lies in the market/industry maturity and the process of market commoditization, which is characterized by:

- the exhausted opportunities for new primary demand,
- the market structure is stabilized,
- cost leadership is becoming a major driving force of the competition,
- commoditization of the market,
- competitors search for an advantage in a variety of ways,
- positioning in industry or the market and targeting chosen segments is becoming important (“explosion of niches”).

This underlying process of market/industry maturity transcends itself through the combination of several different factors which increases in (a) global competition and industry consolidation, (b) changing consumer preferences and (c) technological advances and are the most important ones (see figure IN-2).

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G. Ocvirk, Strategic Management of Market Niches, Schriften zur Unternehmensentwicklung, https://doi.org/10.1007/978-3-658-20364-1_1
(a) The increases in global competition especially from Asian countries such as China and India and the rapid growth of some Eastern European countries, especially Russia\(^2\) in the last two decades, has led to sinking revenues and profit margins and an increased fight for existing market shares in saturated markets. In addition to a changing business environment companies will additionally have to face the looming global financial crisis, which will have a devastating effect on many industries across the globe.\(^3\) To maintain a high level of revenues and profitability companies increased their M&A activities, which can be seen in a high increase of M&A’s in value and number since 1990. This has led to an increase in industry

\(^3\) Cf. Guimaraes (2008), p. 32, Hall (2008), p. 18, Streeter (2008), p. 4. These effects are already felt around the world, with the governments of the largest global industrial nations drawing up plans to fight the recession and stop the financial crisis form spreading. Although the crisis has had a devastating effect on industries with low added value and it also did not leave companies in highly developed sectors unscarred.