For a number of decades, it was quite normal to find in most product categories three clearly discernible tiers of products and services. Each category had a series of items positioned at various price points within the discount segment; there was a huge selection in the middle-market segment, and a large, but not excessive, number of brands in the luxury segment. From the consumer’s point of view, there was more than an adequate quantity of products and offerings available – with new ones joining them every month or year. Within each tier, only a few products, however, really had their own autonomous profile, a distinct brand identity, so the consumers predictably lost track of things and were merely confused by all these developments. A prospective buyer saw no further point in paying more for certain higher-priced items when there were no longer any salient differences compared with less expensive ones belonging to the same tier. This three-way split, however, seems now to have disappeared. The conventional three-tier structure has mutated in many product categories into two highly polarizing market niches – “hard-discount” and “premium luxury”.
The middle-market segment looks like it has suddenly ceased to exist – one may say, caved in – because the products and brands in this segment simply showed too little identity or profile. This phenomenon is ongoing and can be observed in both the consumer goods and the industrial sectors.

There is a specter hanging over the consumer and industrial markets in nearly all developed economies. Many companies that were positioned to compete in the erstwhile middle market have either become defunct or are finding their survival gravely threatened in the changing business dynamic. As a result, they have resorted to copying the tactics of firms in the discount segment. Yet, at one time not too long ago, the prospects of these middle-tier firms looked so stable and secure, as they seemed to offer the best value to their buyers, this being the most acceptable compromise between price and quality. Sears, the bastion of middle-market retailers in the U.S., was the classic all-American brand – the average American family’s weekend destination for clothes, appliances, and hardware. How the fortunes change! Sears’ future now looks bleak and young people of today would be hard-pressed to identify Bob Vila, who was once its iconic TV handyman, and who still appears in some of its commercials. Likewise, in Britain, teenage girls once dreamed of securing a job as a salesgirl at a Marks & Spencer. It is now said that the first few words that babies there learn to utter nowadays are Mum, Dad, and Tesco.