



Globalization

Global Gamesmanship

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Analysts called it “Marlboro Friday”—Philip Morris announced on April 2, 1993 that it would reduce the U.S. price of its premium brand of cigarettes by 20%. The tobacco manufacturer also said it would increase the budget for its domestic advertising by a substantial amount. R.J. Reynolds, Philip Morris’s biggest competitor, responded by matching the price cut on its own premium brands (Camel and Winston among them) and by pouring more money into its own domestic advertising.

The pricing war that ensued cost both companies tens of millions of dollars. But was domestic market share the real reason Philip Morris lowered the price of Marlboro cigarettes? Consider that just as R.J. Reynolds had depleted its cash resources trying to keep up with its chief opponent, Philip Morris was expanding aggressively into the Eastern European market, investing \$800 million in Russia and other regions that were formerly part of the Soviet Union. R.J. Reynolds was in no position to fight back, having spent so much money to maintain its market share in the United States, and Philip Morris won the battle for Eastern European market share, hands down.

While R.J. Reynolds was trying to match the price cuts made by rival Philip Morris in the U.S. cigarette market, its chief opponent was

expanding aggressively into the Eastern European market—and easily capturing market share there.

Some ten years later, the tactics that Philip Morris applied to outmaneuver R.J. Reynolds have become more common. Indeed, competition among multinationals these days is likely to be a three-dimensional game of global chess: The moves an organization makes in one market are designed to achieve goals in another market in ways that aren't immediately apparent to its rivals. We call this approach "competing under strategic interdependence," or CSI. And where this strategic interdependence exists, the complexity of the competitive situation can quickly overwhelm ordinary analysis. As strategists have learned from game theory, the results of any moves a player makes stem in large part from the choices his opponent makes. Often those results are nonlinear—that is, out of proportion to the events that provoke them. Furthermore, they might happen far away from the apparent sphere of competition, like the proverbial butterfly that flaps its wings in New York and causes a tsunami in Japan. Most business strategists are terrible at anticipating the consequences of interdependent choices, and they're even worse at using interdependency to their advantage.

Certainly, it's not easy to outmaneuver a competitor the way Philip Morris did, particularly if you compete in multiple markets with multiple products. But with the following mapping tools and techniques, you can learn to see the whole chessboard—that is, you can anticipate how the moves you make in one market can influence competitive interactions not only in that market but in others further afield.

The Opening

To uncover—and ultimately exploit—the interdependencies between you and your competitors, you need a clear understanding of your own product categories and the geographic arenas you operate in. So the first step in the CSI process is to set up a table that reflects all your assets and all the territories you compete in. For an example of this, let's consider Unilever, a European consumer-goods manufacturer. The company's well-known brands include Knorr soups, Dove soap, and Snuggle fabric softener. Unilever competes in three principal product categories—foods, personal care, and fabric care—and in three major global geographic arenas—Europe, the Americas, and the Asia-Pacific–Africa region. In most of those categories and in all of those territories, Unilever's principal rival is U.S.-based Procter & Gamble, makers of Folgers coffee, Pampers diapers, and Tide laundry detergent. Unilever's CSI table, shown below, indicates that the company competes in nine different product and geographic arenas (each represented by a cell in the table).

	Europe	Americas	Asia-Pacific–Africa
foods			
personal care			
fabric care			

Unilever's executives could then drill down further and draw up CSI tables for each product group, for specific types of products within those groups, and for different geographic arenas. For instance, if the company's personal-care group were thinking through its global positioning prospects, a manager in that unit might look at the competition more narrowly, by product type. The personal-care group is responsible for products in the following categories: oral care, grooming, infant hygiene, feminine hygiene, and senior hygiene. So if we continue analyzing Unilever's business opportunities in the same three geographic regions (for simplicity's sake), we see that the personal-care group competes in 15 different arenas, as shown below.

	Europe	Americas	Asia-Pacific–Africa
oral care			
grooming			
infant hygiene			
feminine hygiene			
senior hygiene			

Once you've created your tables, the second step in the CSI process is to take a rigorous look at where you stand relative to your main competitor in each arena. The best way to do that is to analyze three important factors: your competitor's potential *reactiveness* to increased pressure in that arena; the arena's *attractiveness* to you; and the *relative clout* each of you brings to the table.

Reactiveness measures how much incentive your competitor has to counter your move. It is based on several subfactors, including your competitor's market share in a particular business arena (the larger the share, the greater the arena's importance to your competitor) and the arena's profitability (the more profitable the arena, the more incentive your rival has to defend it). The final subfactor, your competitor's emotional attachment to the arena, is more difficult to ascertain, but it can be as critical a consideration as share and profitability. Essentially, you should be looking for any noneconomic factor that would make your competitor more likely to want to protect the arena—for instance, national or corporate pride, the historical significance of the arena, and any significant sunk costs.

Attractiveness, in this scheme, is the mirror image of reactiveness. It's the measure of how important the arena is to you and is based on the same subfactors as reactiveness: How much market share do you have in the arena? How profitable is it? How emotionally attached to it are you?

Relative clout, the third factor, measures who's in a better position to launch, or defend against, a strategic move in the arena. Clout can be determined by looking at the relative sales of a

company and its competitor, then adjusting for other factors such as each party's distribution dominance or technology advantages. (Clout measures the ability to fight back, while reactivity measures the propensity to fight back.)

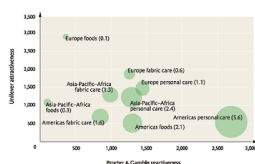
We've set up a Web site (www.triad-consultants.com) that offers our methodology and formulas for measuring reactivity, attractiveness, and relative clout based on publicly available information—things like a company's individual product sales, a product division's performance compared with that of the rest of the organization, the company's sales in a particular region of the country or the world, and so on. The end result will be numerical ratings for reactivity, attractiveness, and clout—numbers you can use in the third step of the CSI process, mapping the competitive terrain on a bubble chart. To do this, first plot your competitor's reactivity along the horizontal axis. Reactivity increases from left to right, so bubbles further to the right indicate arenas that are more important to that competitor, also known as the defender. Then plot the arena's attractiveness to you along the vertical axis. The higher the bubble, the more attractive the arena is to you. The size of a bubble indicates the defender's market clout—the bigger the bubble, the stronger the competitor. The chart may end up looking something like this:

The bubble chart is useful because it quickly conveys a great deal of information about two competitors' relative positions. For instance, bubble **b** in the upper left appears to be the most appealing arena for the instigator, the company that wants to make an opening move. The size and position of the bubble indicate that this arena is highly attractive to the instigator and that any strategic ploy it launches in this arena would prompt relatively little reaction from the defender. Conversely, the least appealing arena for the instigator is represented by bubble **e**, because it reflects low attractiveness to the instigator and the highest reactivity score on the chart for the competitor—a promise of much pain for little gain.

Choices get more difficult when comparing bubbles like **d** and **e**. Bubble **d** suggests that this arena would prompt less of a reaction by the defender than bubble **e** would, but the defender has more clout in this product or geographic arena. The instigator would have to make a judgment call about which arena, **d** or **e**, it would best be able to defend from a competitor's retaliation.

Let's return to our real-life example. The exhibit "Unilever Versus Procter & Gamble—Global" charts the nine consumer product arenas in which Unilever competes with Procter & Gamble. It uses data about the companies that we gathered several years ago; we've intentionally kept the time period and numbers vague. The arenas are the same as those represented in the first table above: foods, personal care, and fabric care in Europe, the Americas, and Asia-Pacific–Africa. Unilever's attractiveness scores are plotted on the vertical axis, and P&G's reactiveness scores are tracked along the horizontal axis. Bubble size represents P&G's clout in an arena. Next to each bubble, we also show the relative clout as a number—based on the ratio of the defender's clout to that of the instigator in each arena. A number greater than one indicates that P&G (the defender in this example) has more clout than Unilever, and a number less than one indicates the reverse.

Unilever Versus Procter and Gamble



Global Unilever's competitive terrain comes sharply into view through the "competing under strategic

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The ultimate purpose of this mapping technique is to help managers plan competitive campaigns in multiple markets, but it is useful for other reasons. First, it allows a company to look at its

world through its competitor's eyes: What you see on the bubble chart is Unilever's competitive space as P&G perceives it. Second, the mapping technique can be employed at several levels of granularity to expose competitive opportunities and weaknesses that might not otherwise be evident.

To illustrate this, let's chart Unilever and P&G's relative positions in the personal-care products market for North America. (See the exhibit "Unilever Versus Procter & Gamble—Personal Care North America.") That arena as a whole looked like an unassailable P&G territory in the global bubble chart—it's the biggest bubble in the group and furthest to the right, indicating high reactivity and high clout on P&G's part. But when the personal-care arena is examined more closely, it becomes apparent that opportunities do exist for Unilever in this market. Grooming products and senior-hygiene products, for example, prompt relatively low reactivity from P&G and are moderately attractive to Unilever. In these two arenas, P&G's clout is far less intimidating than it is in the North American personal-care products market generally.

Companies can build charts that focus on smaller geographic areas, such as states or even cities, if the data are available. Even in highly concentrated industries such as consumer soft drinks, where Coca-Cola and Pepsi control 76% of the U.S. market, competitive battles are planned down to the level of individual supermarkets in individual cities; the price of a 12-pack in a suburb of Oakland on Superbowl Sunday is of genuine importance to the outcome of the competitive battle. For companies with less global reach than Unilever, P&G, Coca-Cola, and Pepsi, charting will likely start at a national or regional level.

It's also possible to plot several competitors in each arena to fully understand the dimensions of the competitive landscape. The vertical axis would continue to measure only the instigator's attractiveness scores. The reactivity scores would then be used to place different competitors along the horizontal axis of the chart, using different colors to identify each competitor. Bubble

size would indicate each competitor's clout relative to the instigator—not relative to the other competitors.

The Middle Game

Before we look at how Unilever's executives could use these charts to plan their competitive moves, let's consider the six types of CSI campaigns available to them—or, indeed, available to any multiproduct or multimarket corporation that wants to compete skillfully.

First is the *onslaught*—a direct attack, where the goal is to take major market share in a target arena and force your competitor to retreat. Tactics employed in this campaign include price cutting, often without regard to immediate profits; heavy expenditures on marketing, advertising, and promotions; and attempts to upset, or even replace, existing distribution patterns. The massive commitment of resources is a vital element of the strategy—the larger the commitment, the more likely your competitor will be to view the onslaught as credible. Needless to say, onslaughts are expensive, so they only make sense if the arena is extremely attractive to you and somewhat less so to your competitor—in other words, if your rival has relatively low reactivity and clout. The company with the most clout or resources to deploy usually wins, but not always. For instance, the cola wars between Coke and Pepsi have pitted two implacable rivals against each other for decades, and their trench warfare appears likely to continue forever with no definitive victory.

Our research has shown that a defender that faces a credible onslaught will be motivated to look for opportunities elsewhere rather than retaliate in the face of a well-financed attack. The market for dynamic random access memory (DRAM) in the 1980s provides a well-known example. At the time, Intel was a leading supplier of DRAM computer chips. Chip manufacturers in Japan decided they needed to dominate the market, so they cut prices for key customers by 10% at each order cycle. For Intel, the signs

of defeat were clear; it was outnumbered and withdrew completely from the arena. (For more on this example, see Rita Gunther McGrath and Ian C. MacMillan's *The Entrepreneurial Mindset*, Harvard Business School Press, 2000.)

In other cases, the goal of the onslaught is more modest and the results more equivocal. In the North American auto industry, for example, GM is focused on taking market share from Ford and DaimlerChrysler through its aggressive and persistent 0% financing program. According to an August 2002 *BusinessWeek* article, GM has so far gained approximately 1% of market share from its domestic rivals but at an estimated cost of \$3,100 per vehicle sold. Given its strong financial position and lower operating costs, GM can wait for its competitors to concede defeat. DaimlerChrysler, aware of the enormous costs involved, vowed at the beginning of GM's program not to follow but was forced to relent and began offering rebates that cost it \$2,752 per vehicle sold. The company also added extended warranties to its rebate program in an attempt to regain momentum. GM's onslaught offers an example of the very high costs associated with this type of campaign if the defender has substantial clout coupled with high reactivity. Ford and DaimlerChrysler have no choice but to match GM's moves because they cannot afford to abandon their home markets.

Second among the possible CSI campaigns is the *contest*, which is more subtle and narrowly focused than the onslaught—and therefore, less costly. The instigator focuses on finding highly attractive arenas in which the defender has less clout than the instigator. Then it attacks in a way that its competitor cannot easily match—even if it is motivated to do so.

Contests often occur when the instigator has developed a breakthrough product or a strategy for disrupting the market. The market for DVDs provides a good example. DVDs are a crucial source of revenue to the film studios—indeed, the rental market is often the key to a movie's profitability. As this article goes to

press, Warner Brothers is disrupting the market with a strategy that other studios are loathe to copy. To increase sales of its DVDs, Warner Brothers is slashing the price of new movie releases to a level where they will soon be considered impulse purchases at mass merchandisers like Wal-Mart—a move that has left the other studios and the rental industry gasping. Warner Brothers' goal is to disrupt the economics of the video-rental market, making a DVD purchase more attractive than a video or DVD rental. This would break Blockbuster's hold over the movie industry; currently the rental chain demands and receives preferential pricing from the studios. Warner Brothers figures that once consumers become accustomed to buying instead of renting, the company could sell DVDs based on its library of older films, which receive little shelf space in Blockbuster stores. Ultimately, Warner Brothers wants the consumer to have to choose not between buying a video or renting a video but rather between buying a DVD or requesting a video on demand over its parent company's broadband and cable TV network—currently the second biggest in the United States. The other studios can't compete in that arena because they lack cable or Internet-service assets. The outcome of this contest is far from certain; Blockbuster is fighting back by producing its own movies that go immediately to the rental shelves, bypassing the traditional distribution patterns of the movie industry.

The *guerrilla campaign*, the third possible CSI tactic, focuses on highly attractive arenas in which a defender has plenty of clout. The instigator maintains a narrow focus, targeting the underserved segments of these highly attractive arenas—segments in which the defender has lower reactivity than it does to the arena as a whole. The segments may be small in terms of sales potential, but the objective is to use them to drive a wedge into the target market, which can be exploited through subsequent campaigns.

Consider Progressive Insurance's decision to offer auto insurance to a nonstandard market—teenagers, drivers with accident

histories, people with a record of traffic violations who drive high-performance cars, and so on. The insurance industry has traditionally steered away from these high-risk customers. Yet some of them are also affluent and, like everyone else these days, pressed for time—hence these people are less price sensitive than the standard customer. Progressive saw that it could charge sufficiently high premiums to offset the risk of taking on these new clients, and it could speed the process and decrease the annoyances these drivers face in obtaining insurance coverage. In its campaign to save customers time, the company even went so far as to establish a team of roving claims adjusters who would arrive at accident scenes to assess claims and issue checks for repairs on the spot. Progressive also studied these market segments carefully enough to realize that they contained even smaller categories of customers who weren't especially risky—50-year-old suburbanites who ride their motorcycles to the commuter train shouldn't necessarily be lumped in with gangs of not-always-sober bikers. Progressive's success tackling these niche segments prompted it to pursue the development of luxury-car insurance, where the customer base also prized Progressive's streamlined method of doing business.

Fourth on the list of CSI options is the *feint*, which is designed to divert a defender's attention and resources from the instigator's target arena by launching an attack elsewhere, on what we call the focal arena. The Philip Morris example cited earlier provides a good illustration: The tobacco company attacked the premium domestic cigarette market—the focal arena—knowing that it was very important to R.J. Reynolds (which showed high reactivity and plenty of clout in the U.S. arena). The higher the focal arena's reactivity, the greater the distraction value of the feint. R.J. Reynolds diverted its resources to defend the focal arena, which allowed Philip Morris to pour resources into its target arena, Eastern Europe.

Nike followed a similar game plan in 2002. Knowing that its arch rival, Adidas, couldn't afford to cede any ground in the European

market for soccer shoes, Nike started bidding up prices for celebrity endorsements in that part of the world. Adidas had to match Nike euro for euro—and consequently found itself short of cash to compete for celebrities in other markets, leaving Nike virtually alone in the athletic-shoe markets outside of Europe.

And we speculate that Dell's recent announcement that it is entering the unbranded PC arena—the “white box” market—could ultimately prove to be a feint. Unbranded PCs represent approximately 30% of the PC market in the United States, with total sales of \$3 billion annually. The market for white-box PCs is cluttered with small manufacturers and dealers that cater to price-conscious small businesses. They might defend their turf fiercely, showing high reactivity, but it's unlikely that those smaller players would be much of a match for Dell. On the surface, Dell's announcement looks like a simple market extension, which is how it has been reported in the press. But with \$31 billion in revenue, the company will have to gain a tremendous share of the market for this campaign to have any appreciable impact on its financial results.

It might be that Dell is trying to lure Hewlett-Packard and IBM into a trap. Here's how it might work: Dell sells its branded PCs directly, without going through dealers. What if the company were able to use its manufacturing prowess to get into the dealer market with unbranded PCs—and earn a decent profit of, say, \$500 per machine? According to “Systems and Enterprise Hardware,” an August 2002 report from Morgan Stanley, the leaders in this arena are HP and IBM, with market shares of 57% and 12% respectively. Both computer companies have high reactivity and high clout. Dell might be trying to goad HP and IBM into a price war they can't afford to lose—but that Dell doesn't need to win. Perhaps while HP and IBM poured money into protecting market share, Dell would invest aggressively in growing its share in enterprise systems comprised of high-margin data servers and storage systems—markets the company has already identified as crucial to its continued growth. With HP and

IBM distracted by their need to defend the retail PC arena, Dell would encounter less reactivity in the enterprise- systems market.

Before moving on to the next CSI option, it's worth noting that there is an interesting variation of the feint—the *mutual forbearance play*. Suppose you make a move in an arena in which my reactivity is high. Instead of fiercely defending it, I attack another arena in which your reactivity is high and keep the pressure on that arena until you lay off my arena. A mutual forbearance play also allows me to exchange a gain in market share that you might realize in one of my arenas for a gain in market share that I might realize in one of your arenas. A midsize candy manufacturer in India provides a good example of how a company might use this tactic: The company makes a very good profit from manufacturing hard candy and chewing gum but loses money on its small line of toffees. When we asked the CEO why he didn't just close the toffee plant, he said maintaining it sent a signal to larger competitors that the company could quickly ramp up its production in this area, at very low cost, if anyone entered his market for sweets.

The fifth CSI option, the *gambit*, is not for the faint of heart. The term comes from chess, where it's used to describe the sacrifice of a nonessential piece to gain advantage somewhere else on the board. Like the feint, the gambit involves both a focal arena and a target arena. It often occurs when competitors are evenly matched in terms of market clout, which makes a direct assault on the target arena very costly. The instigator's challenge, then, is to induce the defender to voluntarily reduce or withdraw assets from the target arena. To accomplish this, the instigator selects a focal arena in which the defender is highly reactive and visibly reduces its commitment to this arena. The withdrawal (like the sacrifice of a chess piece) creates a market vacuum that hopefully draws the defender in. Withdrawal can take many forms, including complete unilateral removal of a product from an arena, price increases that make a product less competitive,

reduced marketing and sales of a product, or reduced service and distribution of a product. If the gambit is successful, the defender redirects its assets away from the target arena to gain position in the focal arena, and the instigator increases its resource commitment to the target arena.

Gillette used this approach when it abandoned the disposable-lighter market in 1984. Until that time, Bic and Gillette each had a sizable presence in the markets for disposable lighters and disposable razors. In fact, Gillette earned 20% of its revenues from the sale of disposable lighters. Gillette's problem was that its disposable razors, launched in reaction to Bic's entry into the market in 1975, were cannibalizing its premium-razor business. It wanted to direct more resources to its razor division in order to continue building its dominance in this arena. So Gillette announced in 1984 that it would withdraw from the lighter business, handing the entire market to Bic. Bic immediately redirected resources from razors to lighters, hoping to make its dominant position in disposable lighters irrevocable. Gillette was then free to focus on razors, using its resources to build its position in the high end of the razor market. Within two years of initiating the gambit, Gillette had 50% of the premium-razor market. Today that share has grown to more than 80%, due in part to the company's 1990 introduction of the Sensor razor. Like a mutual forbearance play, a gambit does not have to be a zero-sum game. Both Gillette and Bic ended up better off than they were before the gambit, because they were once again focused on their core products.

Initiating a gambit does not mean that you have to give up the entire space—you might only need to reduce your position. So a gambit can work as a sort of reverse feint, where you can give up some ground in one arena in exchange for ground you intend to gain in another. Raising prices is a powerful tactic in the gambit; it allows the competitor to gain share with lower prices while you retain fewer customers but at higher margins.

The sixth and final CSI option is *harvesting*, in which both parties focus on extracting profits from an arena that neither finds particularly attractive for future exploitation. Such situations exist in the markets for commodity products such as aspirin and copy paper. In the market for mattresses, for instance, companies have added seemingly unique features to their products to make direct price comparisons between competing products impossible. Harvesting can also occur through cross-licensing agreements, such as the one between Amgen and Johnson & Johnson for the blockbuster drug EPO, which stimulates red-blood-cell production. Each company sells a version of the drug, but each has exclusive rights in different markets.

There is nothing to stop businesses from combining moves. Philip Morris's attack in the North American arena had all the earmarks of an onslaught, for example, yet at the same time it acted as a feint that drew R.J. Reynolds's attention and resources to the United States and away from the Eastern European markets. Similarly, GM's onslaught may be only one element of a global feint that is intended to draw Ford away from the rapidly growing market for autos in China—which is a target market for GM.

The Endgame

Now that we've examined the options for competing under strategic interdependence, we can go back to our product-arena and geographic-arena bubble charts and tables, consider them against the possible CSI options, and determine which of them we should use.

We've done that in the exhibit "How Unilever Might Clean Up—Global." We constructed it by moving the information from the first Unilever bubble chart onto a global arenas table. It shows Unilever's nine major competitive arenas, along with scores for how attractive each arena is to Unilever, how important it is to P&G, and P&G's relative clout in that arena. The final column lists the campaigns that could work in each context. (For this example,

we created cutoff points for the scores for attractiveness, reactiveness, and clout so we could simplify the measurements to just “high” or “low.”)

How Unilever Might Clean Up

	Unilever attractiveness	Procter & Gamble reactiveness	Procter & Gamble clout	Unilever's potential success
Europe foods	high	low	low	contests, fight
Europe personal care	high	high	moderate	contests, fight
Europe fabric care	high	high	low	contests, fight
Americas foods	low	high	high	fight, guerrilla
Americas personal care	low	high	high	fight, guerrilla
Americas fabric care	low	low	high	harvest
Asia-Pacific-Africa foods	high	low	low	contests, fight
Asia-Pacific-Africa personal care	high	high	high	important, fight
Asia-Pacific-Africa fabric care	high	high	high	important, fight

Global The CSI process would lead Unilever to conclude that the arenas in the Americas are not prime

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Our first observation is that arenas in the Americas are not prime targets for development; Unilever’s strong positions in Europe need to be sustained or developed; and it’s crucial for the company to target the high-potential Asia-Pacific–Africa arenas for development. Given Unilever’s enormously powerful position in the European foods arena, the company’s focus in that region should probably be in contesting for the fabric-care products arena, where P&G’s relative clout is low, and in maintaining its position in the European personal-care products arena. Unilever could also use P&G’s personal-care position in Europe to try a feint—pushing P&G Europe to defend personal-care products while building its own fabric-care position. This might take the form of Unilever announcing price cuts or major new personal-care products, along with increased marketing expenditures, causing P&G to strongly defend its position. With P&G distracted, Unilever could then funnel its resources into the European fabric-care arena, using its high clout to build market share. In this case, Unilever could end up with increased share in both arenas.

But the real action lies in Asia-Pacific–Africa, which is very attractive to both Unilever and P&G and which is growing more rapidly than the mature markets in Europe and the Americas.

Unilever's first campaign might be to rapidly build its position in the foods market in Asia-Pacific–Africa through an onslaught or feint, relying on P&G's low reactivity and low relative clout to mitigate the cost of the campaign. Unilever could combine the Asia-Pacific–Africa campaign with a feint or gambit by, for instance, raising prices on hotly contested items in the Americas to draw P&G's attention from the Asia-Pacific–Africa arena.

Equally attractive for Unilever would be to begin cherry-picking the Asia-Pacific–Africa personal-care arena through guerrilla campaigns while using its dominance in the personal-care arena in the Americas to perpetrate a feint. Finally, if there are sufficient resources it might be possible to mount a guerrilla campaign in the Asia-Pacific–Africa fabric-care arena using the Americas fabric-care arena as a gambit. Unilever could raise prices on certain fabric-care items and cut prices on others to cause P&G to redirect resources to defend its shelf space in the one instance and exploit the seeming opportunity in the other.

When we ran through the same exercise at the level of Unilever's personal-care products in the Americas (see the exhibit "How Unilever Might Clean Up—Personal Care North America"), we noted that a broad dismissal of this arena at the global level would mask a couple of important opportunities.

Clearly the Americas are not as attractive as Europe and Asia-Pacific–Africa in the greater scheme of things, but there are still opportunities for Unilever as long as its pursuit of those opportunities does not consume a lot of resources. The most interesting arena is clearly senior hygiene—a market that is growing in the United States and Canada in particular. Unilever could build position by conducting a guerrilla campaign. It might launch senior-hygiene products at a regional rather than a national level, with limited marketing budgets. At the same time, it might boost prices of some of its grooming products in different regional markets. P&G then might feel compelled to redirect its financial and marketing resources to further its dominant

position in the grooming-products segment, thereby leaving the door open for Unilever to enter the senior-hygiene market. . . .

Global corporations compete every day under conditions of strategic interdependence; it's become routine for them to deal with an astonishing level of complexity as they plan their next business moves. But the tools we've described should be just as useful to companies that compete with a portfolio of products in just one national or regional market. Indeed, smaller corporations can't afford to spend as much as global corporations on planning their strategies and coordinating their competitive moves—nor can they afford to spend millions on strategic consulting services. Large or small, it behooves any organization to get really good at seeing a complete competitive picture, anticipating its competitors' moves, and manipulating those moves to its own advantage.

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