

Market Share and Market Size Dynamics: Product and Brand Strategies in a Competitive Scenario

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This article analyzes the impact of product and brand strategies on firm performance, by separating their effects through the channels of market size vs. market share dynamics. In industries characterized by economies of scope from production, but not from demand, the article predicts that higher product diversification and lower brand breadth (brand very specific to the product attributes) command higher performance, both in terms of market share and market size dynamics. However, the combination of high product specialization and brand breadth (brand extendable to several products) could generate positive market size effects. The theory is tested using data from the US apparel industry.