

**Subject: Business Economics**

**Course: B.A., 6th Semester, Undergraduate.**

**Paper No: 602**

**Paper Title: Business Strategy & Ethics**

**Unit No.: 3 (Three)**

**Title: Strategy Formulation, Analysis & Choice**

**Lecture No: 2 (Two)**

**Title: Strategic Analysis & Choice**

Glossary

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**Concentrated growth:**

It is an aggressive market penetration where a firm's strong position and favourable market growth allows it to "control" resources and effort for focused growth.

**Market development:**

Selling present products, often with only cosmetic modification, to customers in related marketing areas by adding channels of distribution or by changing the content of advertising or promotion

**Product development:**

The substantial modification of existing products or the creation of new but related products that can be marketed to current customers through established channels.

**Horizontal integration:**

Growth through the acquisition of one or more similar firms operating at the same stage of the production-marketing chain

**Concentric diversification:**

It is an acquisition of businesses that are related to the acquiring firm in terms of technology, markets or products.

**Joint ventures:**

Commercial companies created and operated for the benefit of the co-owners, usually two or more separate companies that form the venture.

**Contingency plan**

A contingency plan or strategy may be defined as an alternative plan or strategy which could be adopted if certain key conditions do not prevail or events do not occur as anticipated.

**Divestiture:**

A divestiture strategy involves the sale of a firm or a major component of a firm

**Retrenchment:**

It is cutting back on products, markets, operations because the firm's overall competitive and financial situation cannot support commitments needed to sustain or build its operations.

**Conglomerate diversification:**

It is an acquiring or entering business unrelated to a firm's current technologies, markets or products.