

INTRODUCTION TO MARKETING

MARKET

A market consists of all potential customers sharing a particular need or want & who might be able & willing to engage in an exchange to satisfy that need or want. Originally the term market stood for the place where buyers and sellers gathered to exchange their goods. Economists use the term to refer to a collection of buyers & sellers who transact a particular product or product line. Marketers, however, see the sellers as constituting the industry & the buyers constituting the market.

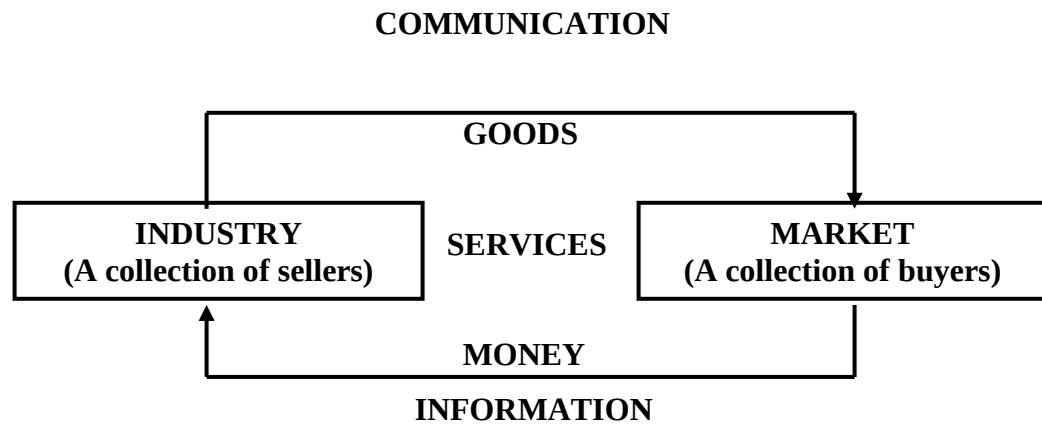
MARKETING

Marketing is a social & management process by which individuals and groups obtain what they need & want through creating, offering & exchanging products of value with others.

Marketing is more than a company department: it is an orderly & insightful process for thinking about & planning for markets. The process is applicable to more than just goods & services. Anything can be marketed – ideas, events, organizations, places, personalities. The process begins with researching the relevant market places to understand its dynamics & to identify opportunities to meet existing or latent needs. It involves segmenting the market & selecting those segments that the company can satisfy in a superior way. It involves formulating a broad strategy and refining it into a detailed marketing mix &

action plan. It involves carrying out the plans, evaluating the results & making further improvements.

RELATIONSHIP BETWEEN THE INDUSTRY AND MARKET



For a managerial definition, Marketing has often been described as “the art of selling products”. But people are surprised when they hear that the most important part of the marketing is not selling! Selling is only the tip of the marketing iceberg.

Peter Drucker, a leading management theorist, puts it this way: There will always, one can assume, be a need for some selling. But the aim of marketing is to make selling superfluous. The aim of marketing is to know & understand the customer so well that the product or service fits him & sells itself. Ideally, marketing should result in a customer who is ready to buy. All that should be needed then is to make the product or service available.

MARKETING MANAGEMENT

Marketing management is the process of planning & executing the conception, pricing, promotion & distribution of ideas, goods & services to create exchanges that satisfy individual & organizational goals.

Coping with the exchange processes calls for a considerable amount of work & skill. Marketing management takes place when at least one party to the potential exchange thinks about the means of achieving desired response from the other parties. We see marketing management as the art & science of choosing target markets & getting, keeping & growing customers through creating, delivering & communicating superior customer value.

IMPORTANCE OF MARKETING

- ❧ Marketing creates & increases demand of the new & existing products & thus raises the living standard of people.
- ❧ It provides wide employment opportunities.
- ❧ It aims at reducing the cost of distribution as far as possible so that the commodities might be within the reach of maximum number of customers.
- ❧ Sound marketing system is associated with creation of increased demands for goods & services. An increased demand stimulates production activity

in the country, which in turn increases the national income, which is in the interest of the whole economy.

- ☞ A Sound marketing system can give protection against business slump by discovering new marketing new markets, reducing cost distribution, making it customer oriented, diversifying & improving the product, suggesting alternative uses.
- ☞ Helpful in business planning & decision-making. Activities such as planning, production, purchase, finance or design revolve around the marketing decisions.
- ☞ Marketing helps in increasing the business profits by reducing selling costs on one hand & by increasing the demand of the product through advertising & sales promotion activities on the other hand.
- ☞ Marketing is helpful in communication between the firm & society. Businesses collect various information regarding consumer behavior & changes therein from time to time through marketing.
- ☞ Marketing has a special significance in underdeveloped economies. A rapid development of the economy is possible only by adopting the modern methods of marketing.
- ☞ Marketing also provides the consumer with the information of the availability of newer products, which would further fulfill their needs.

FUNCTIONS OF MARKETING

The functional approval of marketing consists of a number of activities called marketing functions. A marketing function is, “an art or operation or services by which original product & the final consumer are linked together”

Marketing functions can be grouped into three major heads:

1. Merchandising function
2. Physical distribution function
3. Facilitating function

1. MERCHANTISING FUNCTION

The process of the passing of goods into the customers hand is called the function of exchange. This process can be divided into buying, assembling & selling.

2. PHYSICAL DISTRIBUTION FUNCTION

This function related to the process of transporting the goods from the place of the seller to the place of the buyer & it includes 2 main functions:

- (a) Transportation
- (b) Storage & warehousing

3. FACILITATING FUNCTIONS

These functions make the marketing process easy & include financing, risk bearing, standardization, pricing, advertising, sales promotion, market information etc..

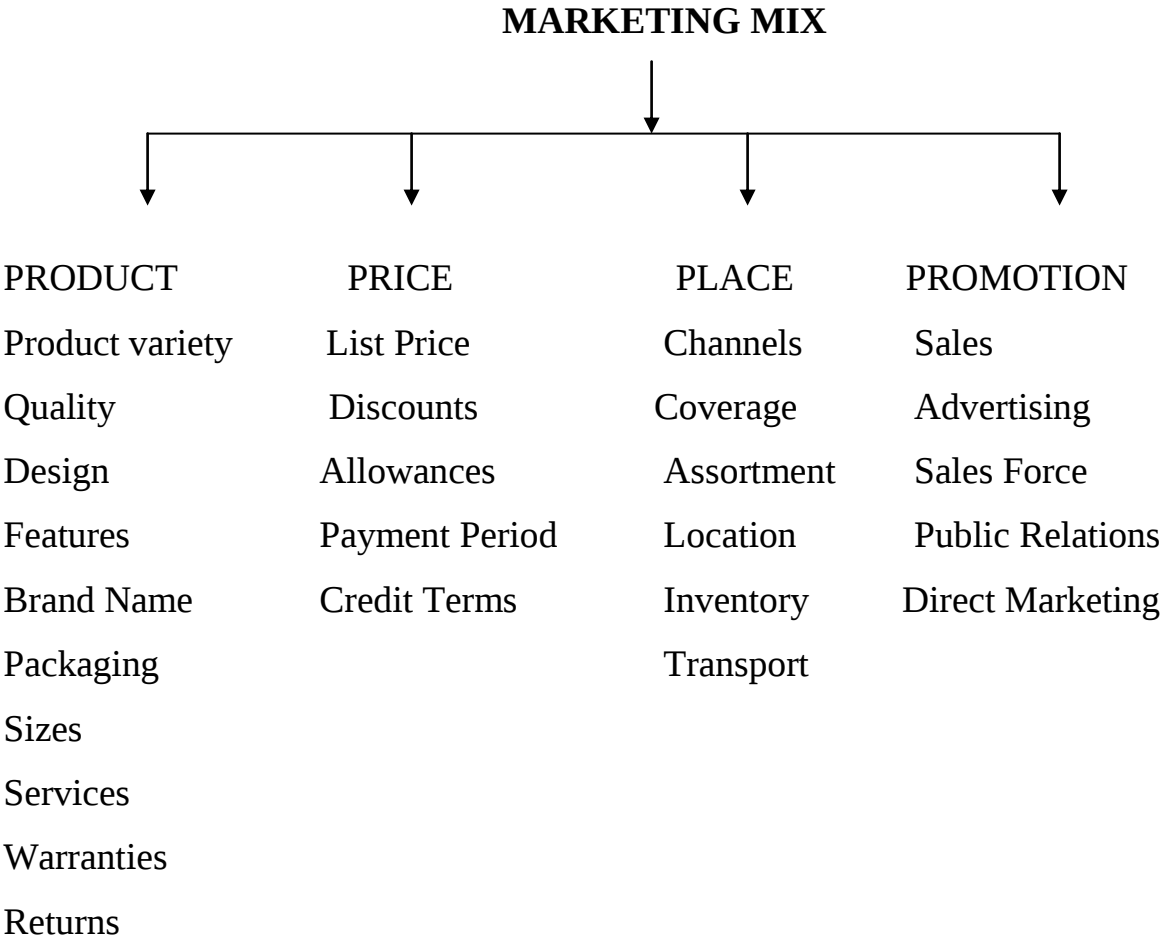
MARKETING MIX

Marketers use numerous tools to elicit desired responses from their target markets. These tools constitute a marketing mix. Marketing mix is the set of marketing tools that the firm uses to pursue its marketing objective in the target market.

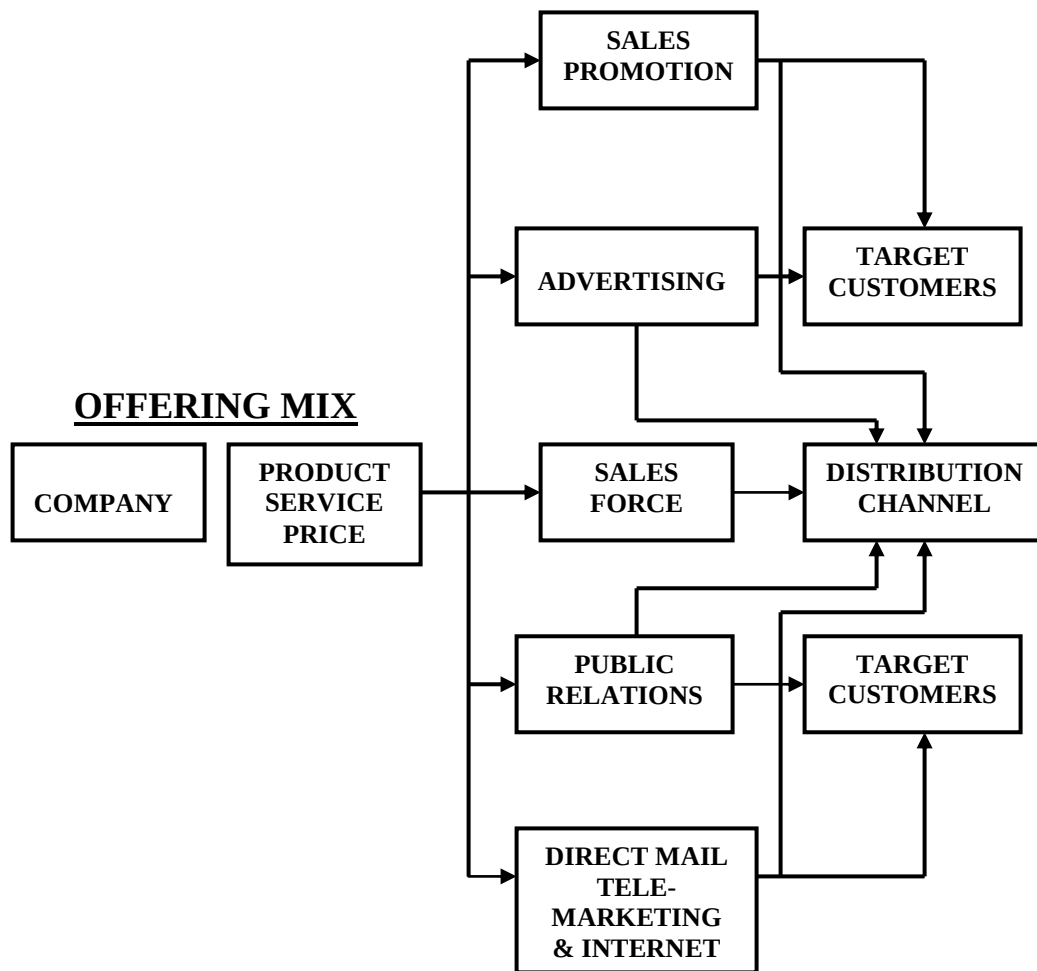
McCarthy classified these tools into 4 broad groups that he called the 4P's of marketing:

1. Product
2. Price
3. Place
4. Promotion

MARKETING VARIABLES



PROMOTION MIX



Marketing-mix decisions must be made with an idea of influencing the trade channels as well as the final consumer. The companies prepare an offering mix of products, services & prices & utilize promotion mix of sales promotion, advertising, sales force, public relations, direct mail, telemarketing & internet to reach the trade channels & the target customer.

Typically, the firm can change its price, sales force size & advertising expenditure in the short run. It can develop new products & modify its distribution channels only in the long run. Thus the firm typically makes fewer, period-to-period marketing mix changes in the short run than the number of marketing-mix decision variables might suggest.

Note the 4P's represent the sellers' view of the marketing tools available for the influencing buyers. From a buyer's point of view, each marketing tool is designed to deliver a customer benefit. Robert Lauterborn suggested that the sellers 4P's corresponding to the customers 4C's.

FOUR P'S	FOUR C'S
Product	Customer Solution
Price	Customer Cost
Place	Convenience
Promotion	Communication

Winning companies will be those who can meet customer needs economically & conveniently & with effective communication.

MARKETING ENVIRONMENT

Competition represents only one force in the environment in which the marketer operates. The marketing environment consists of the task environment & the broad environment.

The task environment includes the immediate actors involved in producing, distributing & promoting the offering. The main actors are the company suppliers, distributors, dealers & the target customers. Included in the supplier group are material suppliers & service suppliers such as marketing research agencies, advertising agencies, banking & insurance companies, transportation & telecommunication companies. Included among the distributors & the dealers are the agents, the brokers, the representative of the manufacturers & the others who facilitate in finding the customer & selling the product.

The broad environment consists of 6 components: Demographic, economic, natural, technological, political-legal & socio-cultural environments. These environments contain forces that can have a major impact on the actors in the task environment. Market actors must pay close attention to the trends & developments in these environments & make timely adjustments to their marketing strategies.

THEORITICAL BACKGROUNG OF THE PROBLEM

SELECTED FOR THE STUDY

The topic of study is “**Pricing strategies for the new design solution iW-Rainbow-G3iMx handheld mobility platform being launched by iwave**”.

WHAT IS iW-Rainbow-G3iMx handheld mobility platform?

iW-Rainbow-G3iMx handheld mobility platform is based on the free scale iMx27processor, targeting consumer, industrial, automotive defense products with support for wireless streaming, Media Codec & Security features. The design can be used to enhance multimedia-rich applications like Video over IP Telephony, Portable Media Player, Hand-held gaming, Intelligent Remote Control, Smart Phones, Surveillance systems.

PRICING

Pricing assumes a significant role in a competitive economy. Price is the main factor which affects the sales organization. A good price policy & strategy is of great importance to the producers, wholesalers, retailers & the customers.

Marketers try to achieve their long-run objectives through both pricing policies & strategies. Thus markets may be reduced or increased. That is, the price increases in relation to the sales revenue.

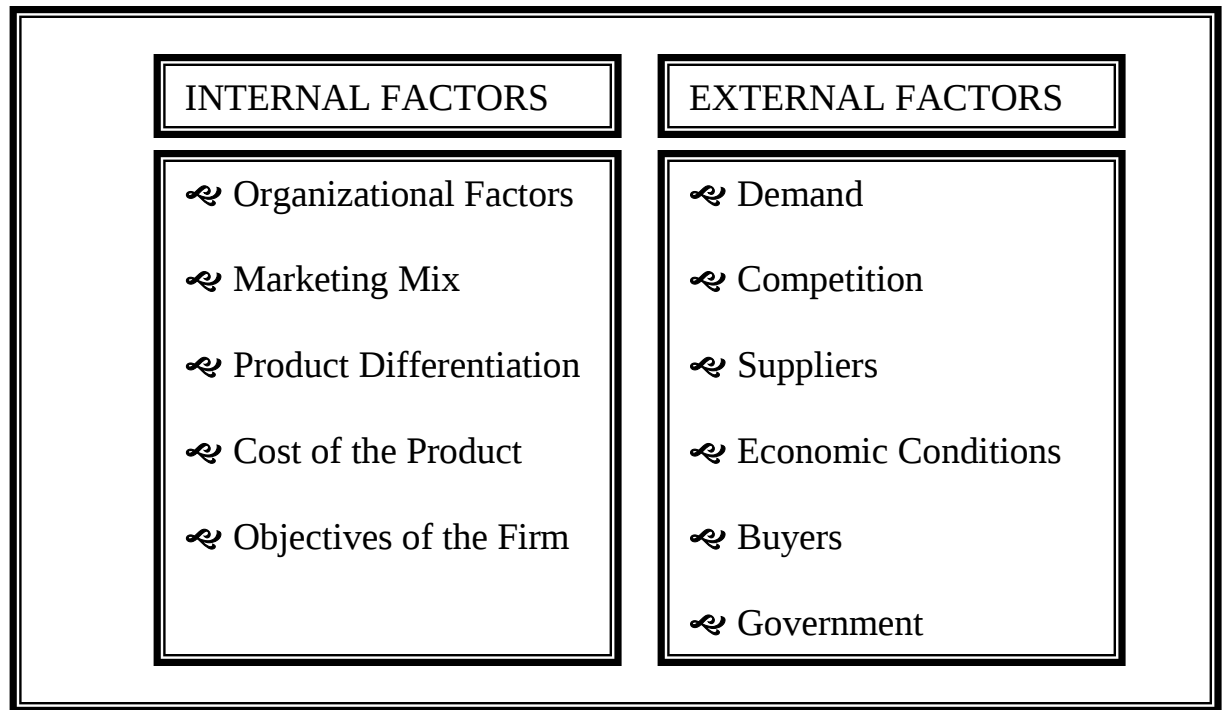
The pricing is a critical situation. Therefore, a sound pricing policy & strategy must be adopted to have maximum sales revenue.

Price can decide the success or failure of a firm. They are important economic regulators. Price will affect the competitive position & share of the markets. Pricing strategies, no doubt are the potential weapons, specially in planned economy which helps in bringing about a proper allocation of resources according to planned priorities.

PRICING OBJECTIVES

1. Pricing for Target Returns
2. Market Share
3. To Meet or Prevent Competition
4. Profit Maximization
5. Stabilize Price
6. Customers Ability to Pay
7. Resource Mobilization

FACTORS AFFECTING PRICING DECISION



PROCEDURE FOR PRICE DETERMINATION



PRICING STRATEGIES

Firms can increase their profitability in 2 ways, by cutting costs or by increasing revenues. Though firms have pursued cost-cutting aggressively, there is a limit to the gains that can be reaped from this strategy. On the other hand, the right pricing strategy can optimize the revenues & thus maximize the profits. Setting the right price should be the top agenda for the managers, but unfortunately it is not given the right due.

1. PSYCHOLOGICAL PRICING

Many customers use the price as an indicator of quality. Costs & other factors are important in pricing. Yet, psychology of the price is also considered. Certain people prefer high priced products, considered to be of high quality.

2. CUSTOMARY PRICING

Customers expect a particular price to be charged for certain products. The prices are fixed to suit the local conditions. The customers are familiar with the rates & market conditions. Manufacturers cannot control the price. Such products are typically a standardized one. Certain business people reduce the size of the product, if the cost of manufacturing increases.

3. SKIMMING PRICING

It involves a high introductory price in the initial stages to skim the cream of demand. The products, when introduced in the market have a limited period free from other manufacturers. During this period, it aims at profit

maximization, according to the favorable market condition. Generally, the price moves downwards when competitors enter into the market field.

4. PENETRATION PRICING

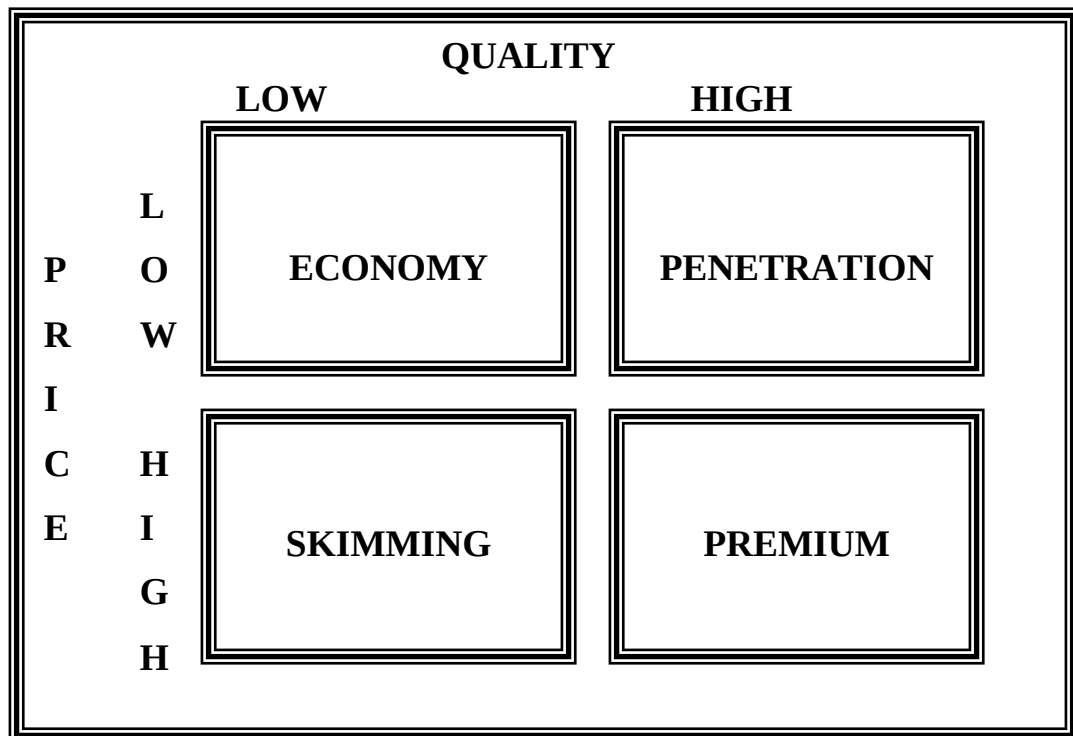
A low price is designed in the initial stage with a view to capture greater market share. That is if the pricing policy is to capture greater market share, then this is done only by adoption of low prices in the initial stage. Because of the low price, sales volume increases, competition falls down.

5. PREMIUM PRICING

Use a high price where there is uniqueness about the product or service. This approach is used where a substantial competitive advantage exists.

6. ECONOMY PRICING

This is a no frills low price. The cost of marketing and manufacture are kept at a minimum.



7. GEOGRAPHICAL PRICING

The distance between the buyer & the seller is considered in geographic pricing. In India, the cost of transportation is an important pricing factor, because of the wide geographical distance between the production center & consuming center.

8. ADMINISTERED PRICE

This is the price resulting from managerial decisions, & not on the basis of cost, competition, demand etc. but this price is set by the management after considering all relevant factors. There are many similar products manufactured by different firms & more or less the price tends to be uniform. Usually the administered price remains unaltered for a considerable period of time.

9. DUAL PRICING

In this pricing system, a producer is required compulsorily to sell a part of his production to the government or its authorized agency at a substantially low price. The rest of the product may be sold in the open market at a price fixed by the producer.

10. MARK UP PRICING

This method is also known as cost plus pricing. This method is generally adopted by wholesalers & retailers. When they set up the price initially, a

certain percentage is added to the cost before marking the price. For example, the cost of an item is Rs 10 & is sold at Rs 13. The mark up is Rs 3 or 30%.

11. **PRICE LINING**

This method of pricing is generally followed by the retailers than wholesalers. This system consists of selecting a limited number of prices at which the store will sell its merchandise. Pricing decisions are made initially & remain constant for a long period. The firm should decide the number of lines & the level of each price line.

12. **NEGOTIATED PRICING**

It is also known as variable pricing. The price is not fixed. The price to be paid on sale depends upon bargaining in certain cases, the product may be prepared on the basis of specification or design by the buyer. In such cases the price has to be negotiated & then fixed.

13. **COMPETITIVE BIDDING**

Big firms or the government calls for competitive bids when they want to purchase certain products or specialized items. The probable expenditure is worked out. Then the offer is made quoting the price, which is also known as contract price. The lowest bidder gets the work.

14. **MONOPOLY PRICING**

Monopolistic condition exists where a product is sold exclusively by one producer or a seller. When a new product moves to the market, its price is monopoly price. There is no competition or no substitute. Monopoly price will maximize the profits, as there is no pricing problem.

15. **OLIGOPOLISTIC PRICING**

Oligopoly is a competitive market situation & the presence of a few large sellers, who compete for larger market share. None has control over the price it charges. Any firm may take initiative in fixing the price of a product & others will follow.

(a) **TRADE DISCOUNT**

It is allowed in the form of deduction from the list price. Manufacturers give this type of discount to wholesalers & retailers as a consideration for the remaining marketing functions to be performed by them.

(b) **QUANTITY DISCOUNT**

It is allowed to encourage a buyer to purchase in bulk. It is used as a sales device for slow moving items. In some cases, the quantity discount will be in the form of free units.

(c) CASH DISCOUNT

It is concession or deduction given to the consumer by the seller for remitting the bill within the specified period of time. It is a deduction from the invoice bill at the time of payment.

(d) SEASONAL DISCOUNT

It is allowed on purchases during slack season. This enables better utility of plant & reduces storage cost.

(e) PROMOTIONAL DISCOUNT

It is a short term discounted price offered to stimulate sales.

STATEMENT OF THE PROBLEM

The topic of study is “Pricing strategies for the new design solution iW-Rainbow-G3iMx handheld mobility platform being launched by iwave”.

An understanding of the “Pricing” is essential in marketing planning & program. The study of “Pricing” will help the marketing managers to shape marketing strategies suitable to customer needs. Customer preferences keep changing & are highly diversified & unpredictable.

The real problem is to analyze & evaluate what a customer takes into consideration while he is choosing the product & this study will help us to discover & point out the problems of “Pricing” when a product is being launched.

The project is mainly undertaken to study the various “Pricing” strategies & give the solution on the same.

The title of the study is “Pricing strategies for the new design solution iW-Rainbow-G3iMx handheld mobility platform being launched by iwave”.

SCOPE OF THE STUDY

Marketing activities are centered around the customer. Buyer behavior is a comparatively new field of study. It is an attempt to understand & predict the influence of role of “Pricing”. Thus the aim of marketing is to meet & satisfy the needs & wants of the customer.

The study plays a very important role in market research. It also helps the firm to acquire a better understanding of “Pricing strategies” which will help them to price their product.

The scope of study is Pricing strategies for the New Design Solution iW-Rainbow-G3iMx handheld mobility platform Internationally”.

OBJECTIVES OF THE STUDY

- ☞ To analyze the customers behavior towards “Pricing” of iWave design solution.
- ☞ To measure the customer awareness level of iWave design solution.
- ☞ To know customer attitude & demand towards “Pricing” of iWave design solution.
- ☞ To understand the customers expectations from iWave.
- ☞ To provide suggestions & recommendations to the company regarding pricing strategies for new design solution iW-Rainbow-G3iMx handheld mobility platform being launched by iwave .

METHODOLOGY

DATA COLLECTION MODE

Two methods have been used to collect relevant data, which are essential for the study. They are:-

PRIMARY DATA: Data is collected to obtain desired information through structured questionnaires (a copy enclosed in annexure)

SECONDARY DATA: It is compiled through books, magazines, journals, records, manuals, internet etc.

SAMPLING PLAN

In order to study the “Pricing strategies for the new product iW-Rainbow-G3iMx handheld mobility platform” the following sampling plan was adopted.

SAMPLE SIZE

A sample size of hundred was taken in order to carry the study.

SAMPLING UNIT

For this survey the target population consisted of people residing in various localities of Bangalore & includes various customers from other parts of the world.

SAMPLING TECHNIQUE

A random sampling technique was adopted to select the representative sample from the sampling unit.

TOOLS FOR DATA COLLECTION

Data for this study is collected from both primary & secondary data. The primary data is collected through structured questionnaire, which was prepared to interview the respondents. It contained both open-ended & close-ended questions.

Secondary data was collected through books, magazines, journals, records, manuals, internet etc.

PLAN OF ANALYSIS

The data is collected from both primary & secondary sources & has also been tabulated in the form of tables & drawn into graphs depicting the various finding significantly. The data collected through questionnaire are analyzed in detail & divided into various categories of preference & conclusions are drawn on the possible changes & causes from brand preference & market share are given based on the research study.

LIMITATIONS OF THE STUDY

- ☞ The study is time bound, due to rapid changes in the market, price of the existing products, introduction of new products etc.,
- ☞ Findings of the study are based on the assumption that the respondents divulged correct information.
- ☞ Bias & unwillingness of certain respondents to answer some questions may hinder the study.

OVERVIEW OF THE CHAPTER SCHEME

CHAPTER 1: INTRODUCTION

This chapter offers a brief introduction to the study & explains the theoretical background of the problem selected for the study.

CHAPTER 2: DESIGN OF THE STUDY

This chapter deals with the Statement of the Problem, Scope of the Study, Objectives of the Study, Methodology, Sampling, Tools of Data Collection, Plan of Analysis & Finally the Limitations of the Study.

CHAPTER 3: PROFILE OF THE INDUSTRY/ ORGANIZATION

This chapter gives an overview of the Industrial background of the Study & Introduction of the Company.

CHAPTER 4: ANALYSIS & INTERPRETATION OF DATA

Discusses the Analysis & Interpretation of Data Collected from the respondents.

CHAPTER 5: FINDINGS, SUGGESTIONS & CONCLUSION

This chapter is a summary of Findings, Suggestions & Conclusion in the light of the above.

INDUSTRIAL BACKGROUND OF THE STUDY

The world is becoming a smaller place, where advance technology is significantly reducing the time required to transfer the information, goods & money from origin to destination, this is a solid form of technology which is forcing the world to do a paradigm shift from manufacturing to knowledge base. Companies are increasingly pursuing markets beyond these boundaries. Today companies are shifting there traditions to technology.

IT is playing a major role in the field of business especially in marketing. Today's buying & selling of products & services take place through E-commerce.

With technology making such rapid strides, companies have to frequently change there application systems due to technological obsolesce. Investment made in proprietary hardware & operating systems has to be replaced with fresh investment in open systems.

THE INDIAN IT INDUSTRY

India has emerged as the fastest growing IT hub in the world, its growth dominated by IT software and services such as Custom Application Development and Maintenance (CADM), System Integration, IT Consulting, Application Management, IS Outsourcing, Infrastructure Management Services, Software testing, Service-oriented architecture and Web services.

When it comes to IT services, the world is coming to India. With a CAGR of 28 per cent during the last 5 years, the IT-ITES industry's contribution to India's GDP has risen from 1.2 per cent during 1999-2000 to 4.8 per cent in 2005-06.

ON A HIGH GROWTH CURVE

A survey by the National Association of Software and Services Companies (Nasscom) shows why the Indian IT industry has become a case study of success:

- ❧ The Indian IT-ITES industry has recorded 33 per cent growth in exports, clocking revenues of US\$ 23.6 billion in FY 2005-06, as compared with export revenues of US\$ 17.7 billion in FY 2004-05.
- ❧ FY 2005-06 also saw the overall Indian IT-ITES industry (including domestic market) growing by 31 per cent registering revenues of US\$ 29.6 billion, up from US\$ 22.5 billion in 2004-05.
- ❧ Of the total IT-ITES exports in FY 2005-06, IT software and services grew by 33 per cent, registering revenues of US\$ 13.3 billion
- ❧ The ITES-BPO segment clocked revenues of US\$ 6.2 billion, recording a growth of 37 per cent.
- ❧ Engineering services and product exports grew from US\$ 3.14 billion in FY 04-05 to US\$ 4 billion in FY 05-06.
- ❧ Domestic market clocked revenues of US\$ 6 billion in FY 04-05 from US\$ 4.8 billion in FY 05-06.

GROWTH DRIVERS

According to Nasscom, the growth in India's services exports has been led by many factors, including:

- ❧ A strong demand and increased traction for traditional services like ADM,
- ❧ New services like EAI and package implementation
- ❧ New areas like engineering services.
- ❧ Indian companies are enhancing their global service delivery capabilities through a combination of green-field initiatives, cross-border M&A, partnerships and alliances with local players.
- ❧ Global software product giants such as Microsoft, Oracle and SAP have established their captive development centres in India.
- ❧ Leading MNC IT companies have operations in India, accounting for 16 percent of their delivery capabilities in offshore locations, with India accounting for 70 percent of the total offshore employee base.

R&D

India is fast emerging as a research and development hub for some of the largest IT companies in the world. The country is drawing 25 per cent of fresh global investments in R&D centres. In many cases, such as Oracle, Intel, Adobe, STMicroelectronics (STM), SAP and others, the India R&D centre is their largest facility outside the US or Europe.

Others, including IBM, Texas Instruments, Delphi, HP, Microsoft, Google and Cisco have been tapping Indian talent for conducting cutting-edge research. According to Daniel Dias, director, IBM India Research Lab, “India has a rich talent base. As a result, a lot is going on in the Indian context which forms the basis for R&D work.”

Meanwhile, the companies that are already here are betting big on India. For instance:

- ❧ SAP Labs India is SAP’s largest development facility outside Germany.
- ❧ Adobe Systems has 900 people in its India R&D operations — the highest number outside the US.
- ❧ Chipmaker Intel has 3,000 staff in India, the majority in its R&D unit. Some of Intel India R&D’s recent contributions include complete design of the Centrino mobile chip called Napa.
- ❧ STM has built a state-of-the-art design campus in Greater Noida, which once fully developed, will have 5,000 engineers. The company has earmarked US\$ 30 million in investments over the next two years. A flood of investments

Companies are lining up to invest in India, and a big chunk of their spending is directed towards setting up R&D facilities. As per the data compiled by the Ministry of Communications and IT, against 28 companies that outlined their

investment plans, 17 have already infused capital. Six of these companies have committed over US\$ 1 billion each towards their India operations. This includes Cisco's commitment of US\$ 1.1 billion, SemIndia's US\$ 3 billion proposed investment, Intel's US\$ 1.25 billion, Microsoft's US\$ 1.7 billion, IBM's US\$ 6 billion, and SAP Lab's US\$ 1 billion investment.

HARDWARE ON A HIGH ROAD

According to the IT industry's annual review (2005-06) by Manufacturers' Association for Information Technology (MAIT), hardware sales in India are tangible proof of the shifting patterns of growth in India's IT industry.

THE ROAD AHEAD

India is up to meet the global IT challenge. According to Nasscom's projections, overall software and services will grow by 25-28 per cent, clocking revenues of US\$ 36-38 billion in FY07. IT-ITES exports are likely to grow by 27-30 per cent in FY 06-07, posting revenues between US\$ 29-31 billion.

INTRODUCTION TO THE COMPANY

iWave Systems Technologies is a Technology oriented organization specialized in Embedded Hardware & Software Turn-key Design Services. Since its inception in 1999, iWave Systems Technologies has won the confidence of its valuable customers over the globe. The company specializes in providing Integrated Solution for developing Innovative products or systems in the areas of Data communication, Consumer electronics & Multimedia. Their valuable customers are broadly semiconductor chip designers, RTOS & Protocol vendors and OEM.

The company supports its customers in achieving their time-to-market objective by using the company hardware & software IP cores. The repeat business & referrals that come from there many esteemed customers are the lifeblood of the business success.

iWave Systems, headquartered in Bangalore - India with office in Japan, extends untiring Services, Support and Consultancy solutions at all times.

OUTLOOK

The company's watch words are Enhanced Quality & Customer Delight. Their Success is based on their focus on Quality. The company often exceeds their Customer's expectations with quality solutions, achieved through research, technology and dedication.

COMPANIES VALUES

- ☞ Focus on customer delight
- ☞ Global excellence in all services
- ☞ Self motivated professional team
- ☞ Transparent and fair environment
- ☞ Recognize and reward performance

VISION

"iWave Systems will become the market leader in Embedded system development focusing on specific application areas in Communications, Automotive and Consumer electronics."

MISSION

"To help our customers in achieving their time-to-market objective by being their dependable technology partners and delivering our commitments on time and every time with quality."

ASSURANCE

As a company they ensure high level of security to their customers, protecting their Intellectual Property with strict NDA implementation, legal contract with project team members and document security by providing access control with restricted usage.

DESIGN SOLUTIONS

HARDWARE SOLUTIONS

I. BOARD LEVEL DESIGN SOLUTIONS

The company offers board design solutions under three heads:

1. EMBEDDED PRODUCTS

They offer solutions based in Embedded Controllers/DSP Board Development that includes Multilayer PCB Cadding & Fabrication through their business partners, FPGA Development for higher-end protocols and interfaces.

2. BUS BASED HW PLATFORMS

Services that bound to Standard bus based hardware development such as interface boards with PCI/CPCI/PMC/VME bus standards for Engineering/Integration.

3. SUPPORT & MAINTENANCE

Technology Up gradation or Product Obsolescence are taken care for Boards & Systems redesign for Processor, Technology, Bus or External interfaces.

II. ASIC/ FPGA/ HDL DESIGN SOLUTIONS

The company offers comprehensive design solutions in areas of ASIC, FPGA & HDL.

Their ASIC services include Design/Development & Testing/Verification for functional verification, Test suite development & RTL coding. Turn-key development services in FPGA for High Speed Bus interfaces, Integration of modules, Multi-million gates complex design & concept to specification to the chip to the final board level target hardware. The HDL services the company offers include models development in support of VHDL/ Verilog/C simulation models, simulation & verification of models & memories, processors & peripheral devices. They are constantly innovating & implementing turn-key integrated embedded solution systems keeping pace with technology progress & customer requirements.

SOFTWARE SOLUTION

I. EMBEDDED SOFTWARE SERVICES

1. REAL TIME OS/KERNEL

It includes BSP & Device driver development, Communication Protocols & Porting. BSP & Device driver development includes Board Support Package with diagnostics, driver development for peripheral devices including networking & telecom devices. Development of Communication protocols & porting like OSPF, RIPv2, PPP, etc. Porting services could be porting RTOS

onto target Hardware platforms, porting from one OS to another and Porting the applications.

2. DSP ALGORITHMS

Implementation of DSP algorithm for Audio and Embedded Control, Performance sensitive functions such as Mathematical functions, library modules, etc.

3. FIRMWARE

POST Diagnostics & Assembly language based development are the major services rendered. It includes Boot-up & Power on self test, Diagnostics firmware, Mixed C++/C/Assembly level development for RISC/DSP processor family.

4. REAL TIME APPLICATION

Application development such as turn-key applications development for Real time products, for products ranging from Data communication, Video security systems, UML based design methodologies, etc.

TOOLS & INFRASTRUCTURE

TOOLS

HARDWARE	SOFTWARE
Hardware Engineering Tools 🌀 Orcad Schematic entry 🌀 Xilinx / Altera / Cypress 🌀 FPGA tools 🌀 Modelsim VHDL & Verilog Simulation 🌀 Innoveda - Hyperlynx Signal Integrity Tool 🌀 PCB Cadding – Cadence / CADSTAR	Software Engineering Tools 🌀 Design – Diab Data, VC++, GCC 🌀 Configuration Management – CVS 🌀 WinCE platform builder Kit 🌀 Cross compiler for C / C++ / ... 🌀 ICE/JTAG Emulator/Debugger 🌀 SDK for MPC860 🌀 TI DSP 320C62xx, 320C54x ARM7

INFRASTRUCTURE

iWave Systems has two state-of-the-art engineering infrastructure facilities in Bangalore, Silicon Valley of India. The company broad services range requires modern, specialized & efficient facilities & work environment.

Towards this the company is equipped with:-

- ❧ High-end Servers/Workstations.
- ❧ High-Speed Leased Internet Access.
- ❧ Intranet facility with WebServer.
- ❧ Full Fledged Technical Reference Library.
- ❧ Located in a green and serene environment.
- ❧ Recreational and Refreshment facilities.

USP OF THE COMPANY

PROJECT MANAGEMENT

The company attaches great importance to project management at iWave Systems, & ensure that the project translates into the expectations of their customers & the confidence they place on us. At all times their project reporting structures are proactive & ensure the customer is empowered with the project development cycle status.

They adopt the Project Management model across the project development cycle, ensuring continuous customer interaction and feedback. All projects are managed & monitored by experienced domain project managers and leaders.

Quality is assured using Verification & Validation activities in every stages of the entire project life cycle. Company encourages customers project reviews & are flexible in the project approach by responding to customer feedback through out the complete life cycle.

PEOPLE

The iWave Systems professionals come with rich domain experience & technical skills in their business focus areas. Their expertise translates into high quality technology solutions, combined with responsive customer services & leading research programs.

The team is highly motivated, dedicated & fully geared up to face the challenges & technology demands. The team is composed of hardcore technical managers, experienced project leaders, highly expertized engineers, and dedicated marketing professionals across the globe & administrative & back office support staffs. There is a balanced mix of masters and bachelors experienced in both hardware & software.

The means by which the company makes it happen:

- ❧ Dedication & Team Work.
- ❧ Continuous Training.
- ❧ Periodic Performance feedback.

QUALITY

Quality is the company's **watch word**. The company has a very well-defined development processes & quality guidelines bench-marked against international quality standards. Structured software configuration management policies & guidelines are followed in all their projects.

There are continuous process updates & improvements using Web based tools.

They adopt the V-Model to ensure complete quality assurance across all project deliverables that turn their projects truly victorious with their customers.

BUSINESS MODEL

1. OFF-SHORE PROJECTS

- ❧ Contract on Project by project basis
- ❧ Time and Material or Fixed cost offer
- ❧ Supervision and project management at iWave by iWave

2. DEDICATED RESOURCE/DEVELOPMENT CENTER

- ❧ Extension of customer's development center
- ❧ Dedicated resources allocation
- ❧ Customer's representative located in iWave

3. ON-SITE SERVICES AND CONSULTANCY

- ❧ Addressing customer's skill requirements
- ❧ Customer's supervision and Project management

HR OBJECTIVES

In today's technology led world, change is inevitable & the speed of change relentless. The excitement of steering this change remains company's source of strength. The company is constantly glued on to the ever-transforming world, learning from it & contributing to the new business & technology order. The responsibility of adding milestones to the iWave story lies with each employee.

EQUAL OPPORTUNITIES

iWave Systems is committed to an Equal Opportunities Policy in employment & subject only to considerations of national security, will assess applications for jobs fairly & without regard to sex, marital status, disability, race, color, ethnic or national origins.

QUALITY

The quality of company people is one of their major strengths. They encourage individuals to use their talent, technical excellence, ambition & inspiration in an environment that is challenging & fast moving. They offer employment opportunities in a project driven environment where people work in teams to provide innovative, leading edge business solutions to their customers.

GROWTH

A career in iWave is not a static job - but is made up of a series of projects. With the personal growth of an employee in mind, roles and projects are

changed at least once in a year. Organizational processes are an aid employees enjoy the freedom and responsibility to manage their own careers.

RESPONSIBILITY

No one in the organization is untouched by the excitement of working in a company that places a premium on initiative. Hierarchies blur, and responsibility levels cut across organizational boundaries. Global exposure, diverse backgrounds, vibrancy and fun - work life in a nutshell!

CULTURE

iWave Systems strongly believes in creating and maintaining a stimulating job content and professional work culture at all times. Their open work culture, bottom-up communication channels, recognition and reward schemes, rapid growth opportunities are some factors that define their uniqueness. Compared to industry standards, they have a very healthy attrition rate.

The work culture at iWave Systems is the demonstration of their employee culture traits that include strategy, ethics, quality, professionalism, leadership, commitment, perseverance and customer orientation. Beside the work culture they believe in contributing to the society by associating itself with mentally challenged children as well.

WORK-CULTURE SUPPORTS & ENCOURAGES

- ❧ Open and fair work environment
- ❧ Absence of hierarchical structures
- ❧ Team work and people integration
- ❧ Right people for right job
- ❧ Sharing of technical and project related experiences
- ❧ Regular knowledge and skills based training programs
- ❧ Appraisals and performance reviews once every year
- ❧ Regular get together and family gatherings
- ❧ Employee recognition awards and rewards

ANALYSIS AND DATA INTERPRETATION

The analysis & interpretation of this study is based on the data collected through a survey where a structured questionnaire was provided to each of the respondents. The questionnaire contained both open ended & close ended questions.

The findings presented are based on the responses of the sample size of 100 consumers. Here we are going to analyse & evaluate the primary data collected from the 100 consumers surveyed with reference to the various objectives of our study.

**Table#1: SHOWS IF THE RESPONDENTS HOLD INTEREST
IN PURCHASE OF G3IMX DESIGN SOLUTION**

OPINION	NO OF RESPONDENTS	PERCENTAGE
YES	90	90%
NO	10	10%
TOTAL	100	100%

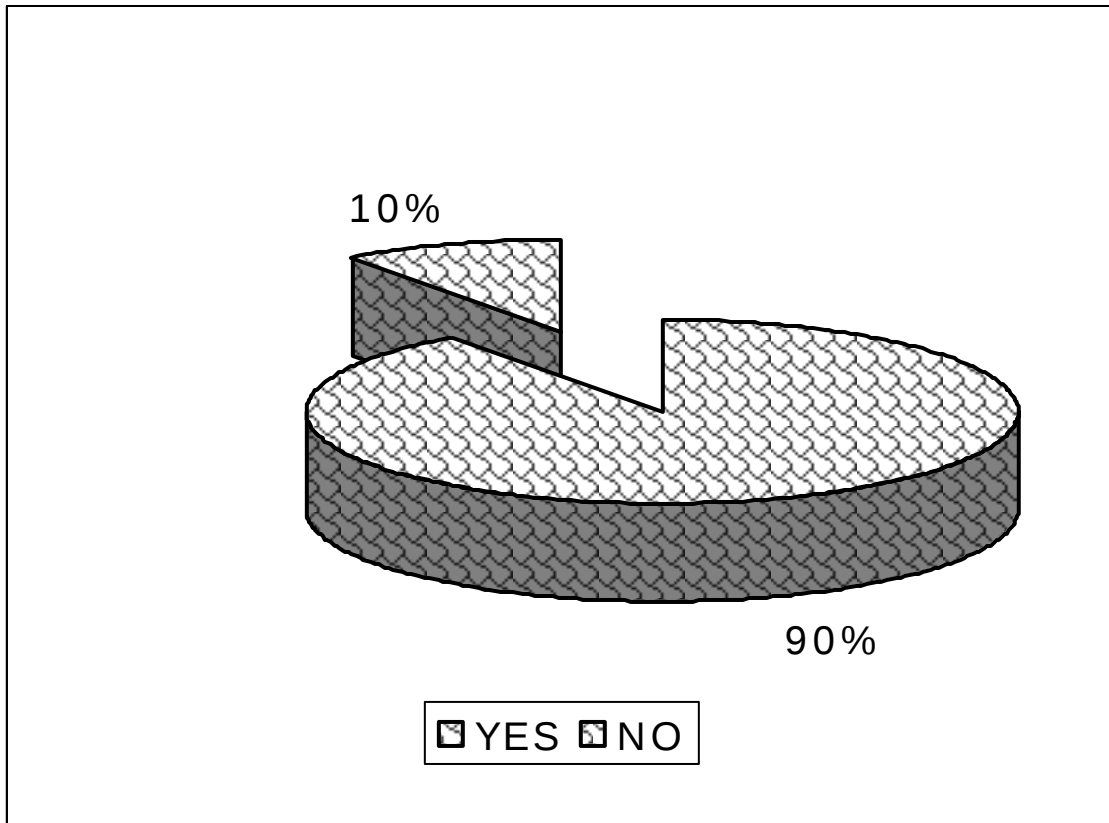
ANALYSIS:

With the help of the above table it can be analysed that, 90% of the respondents hold interest in purchase of G3imx Design Solution from *iwave* & the remaining 10% do not hold interest in purchase of G3imx Design Solution from *iwave*.

INTERPRETATION:

Most of the respondents hold interest in purchase of G3imx Design Solution from *iwave*.

**Graph#1: SHOWS IF THE RESPONDENTS HOLD INTEREST
IN PURCHASE OF G3IMX DESIGN SOLUTION**



**Table#2: SHOWING DESIGN SOLUTIONS PROVIDERS TO
THE RESPONDENTS COMPANY**

PROVIDERS OF DESIGN SOLUTION	NO OF RESPONDENTS	PERCENTAGE
Provided by iwave	60	60%
By your own company	10	10%
By the Third Party	30	30%
TOTAL	100	100%

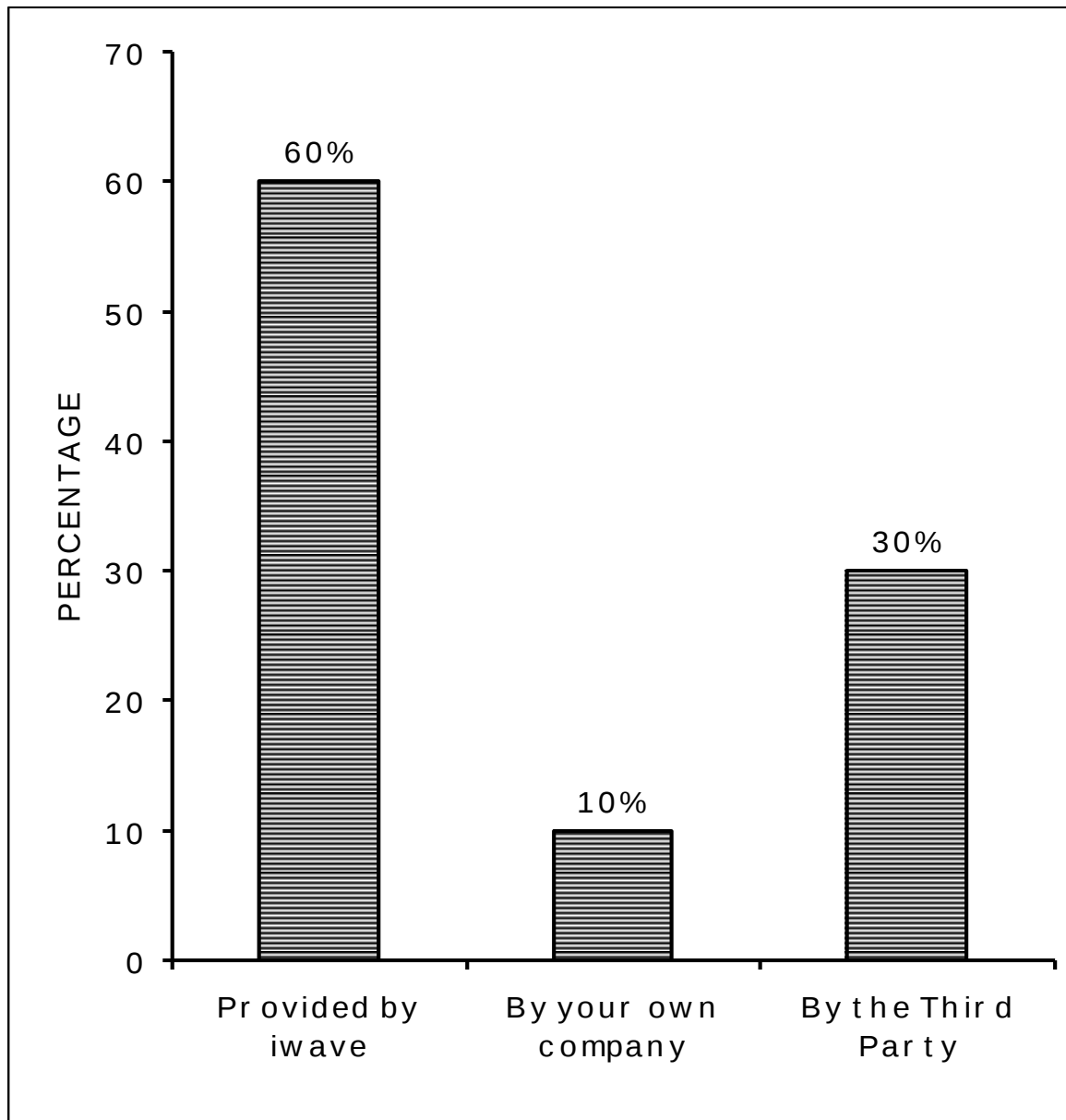
ANALYSIS:

With the help of the above table it can be analysed that, 60% of the respondents are been provided design solutions by *iwave*, 30% by the third party [i.e the companies other that *iwave* & the respondents own company] & the remaining 10% by their own company.

INTERPRETATION:

It can be interpreted that *iwave* provides design solutions to most of the respondent companies.

**Graph#2: SHOWING DESIGN SOLUTIONS PROVIDERS TO
THE RESPONDENTS COMPANY**



**Table#3: SHOWING THE RESPONDENTS VIEW ON HOW
VISIBLE THE PRICE SHOULD BE**

VISIBILITY OF PRICE	NO OF RESPONDENTS	PERCENTAGE
Neutral Price	30	30%
Highly Visible Price	55	55%
Hidden Price	15	15%
TOTAL	100	100%

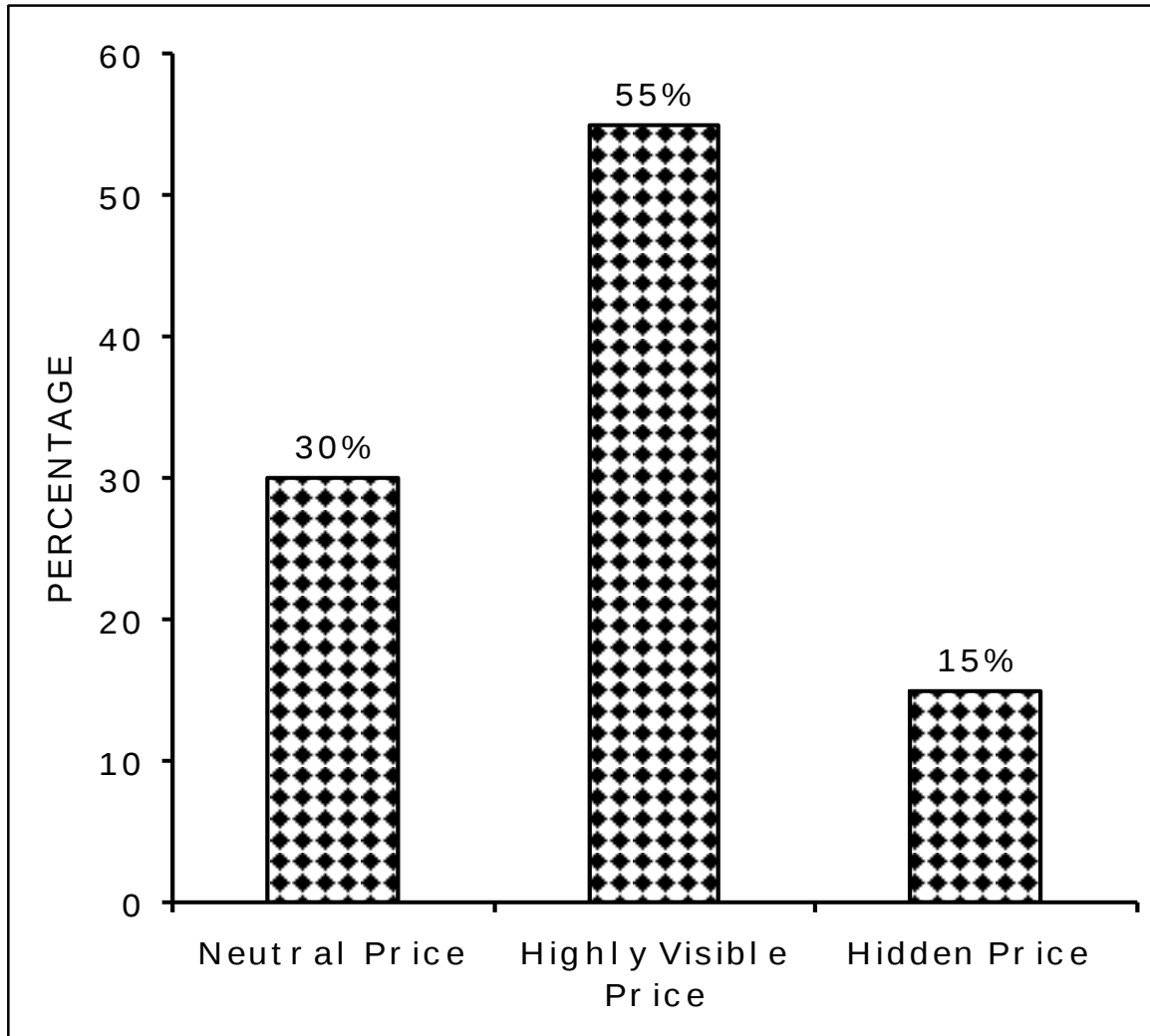
ANALYSIS:

With the help of the above table it can be analysed that, 55% of the respondents prefer that the price should be highly visible, 30% of the respondents prefer price should be neutral & the remaining 15% prefer it to be hidden.

INTERPRETATION:

Most of the respondents prefer price should be highly visible.

Graph#3: **SHOWING THE RESPONDENTS VIEW ON HOW
VISIBLE THE PRICE SHOULD BE**



**Table#4: SHOWING THE BASIS ON WHICH THE PRODUCT
SHOULD BE PRICED**

BASIS OF PRICE	NO OF RESPONDENTS	PERCENTAGE
Quality	55	55%
Differential Features	30	30%
In Par Market Price	15	15%
TOTAL	100	100%

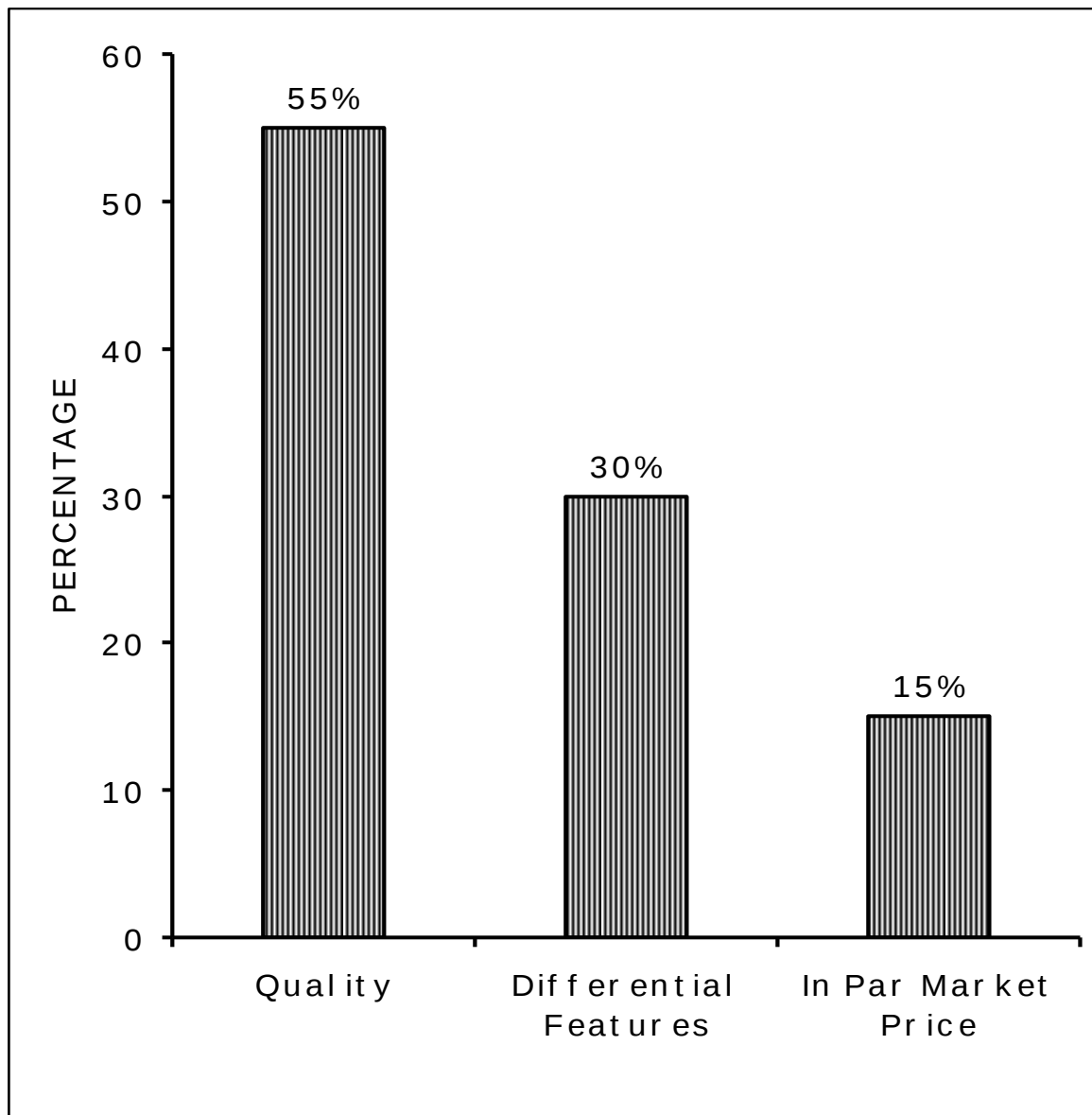
ANALYSIS:

With the help of the above table it can be analysed that, 55% of the respondents would want the price to be based on Quality, 30% on Differential Features & the remaining 15% In Par with Market Price.

INTERPRETATION:

Most of the respondents would want the price to be based on Quality.

Graph#4: **SHOWING THE BASIS ON WHICH THE PRODUCT SHOULD BE PRICED**



Table#5: SHOWING THE RESPONDENTS VIEW ON THE RANGE THAT PRICE OF DESIGN SOLUTION SHOULD FALL

RANGE	NO OF RESPONDENTS	PERCENTAGE
Less than 15,000 US \$	20	20%
15,000 US \$ – 20,000 US \$	25	25%
20,000 US \$ - 25,000 US \$	35	35%
More than 25,000 US \$	20	20%
TOTAL	100	100%

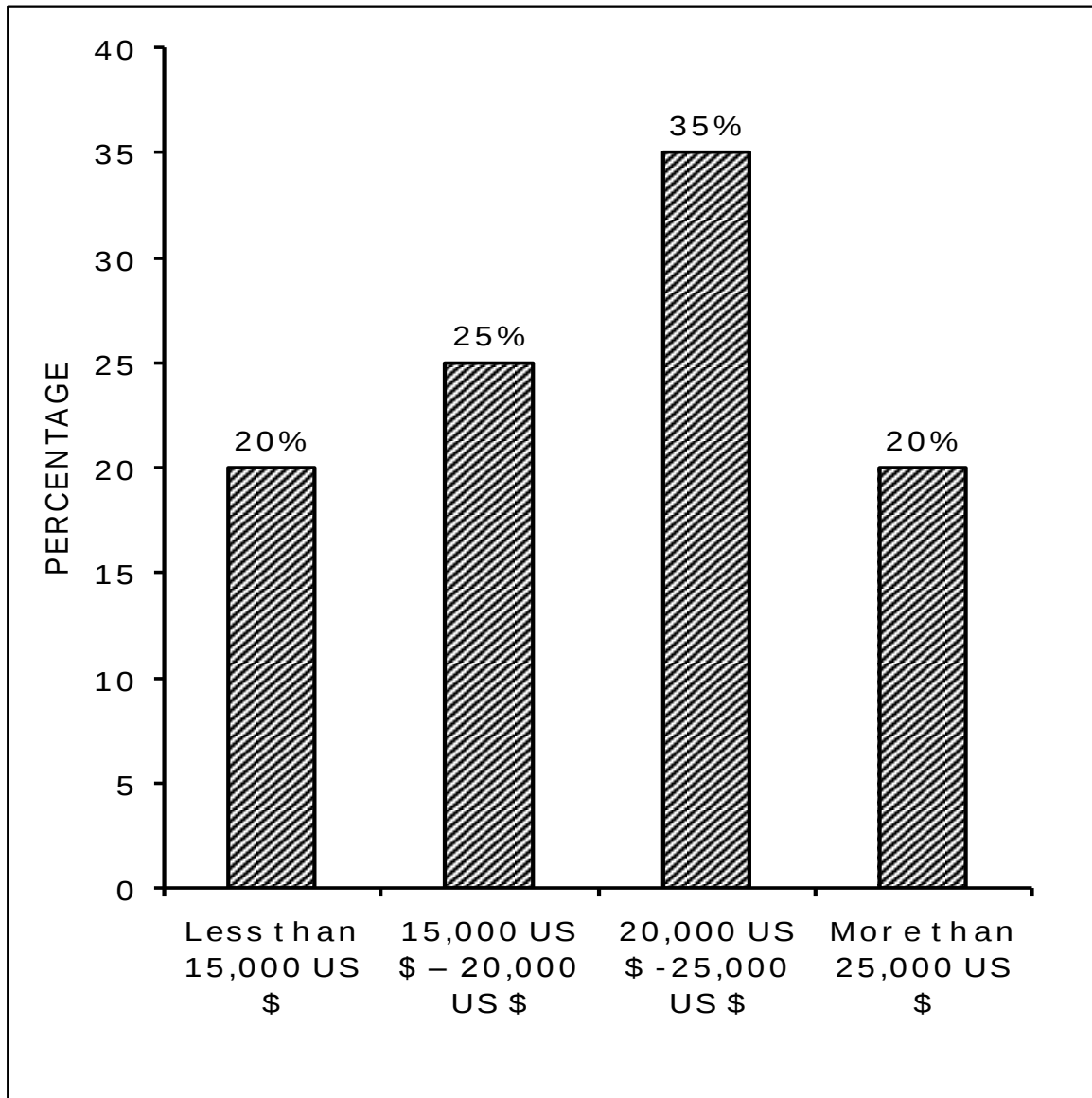
ANALYSIS:

With the help of the above table it can be analysed that, 35% of the respondents would want the range of price of design solution to be in the range of 20,000 US \$ - 25,000 US \$, 25% in the range of 15,000 US \$ – 20,000 US \$, 20% Less than 15,000 US \$ & the remaining 20% in the range of More than 25,000 US \$.

INTERPRETATION:

Most of the respondents would want the range of price of design solution to be in the range of 20,000 US \$ - 25,000 US \$.

Graph#5: SHOWING THE RESPONDENTS VIEW ON THE RANGE THAT PRICE OF DESIGN SOLUTION SHOULD FALL



Table#6: SHOWING THE TIME FRAME TO BUY A DESIGN SOLUTION BY THE RESPONDENTS

DURATION	NO OF RESPONDENTS	PERCENTAGE
As soon as possible	45	45%
6 months	35	35%
6-12 months	20	20%
TOTAL	100	100%

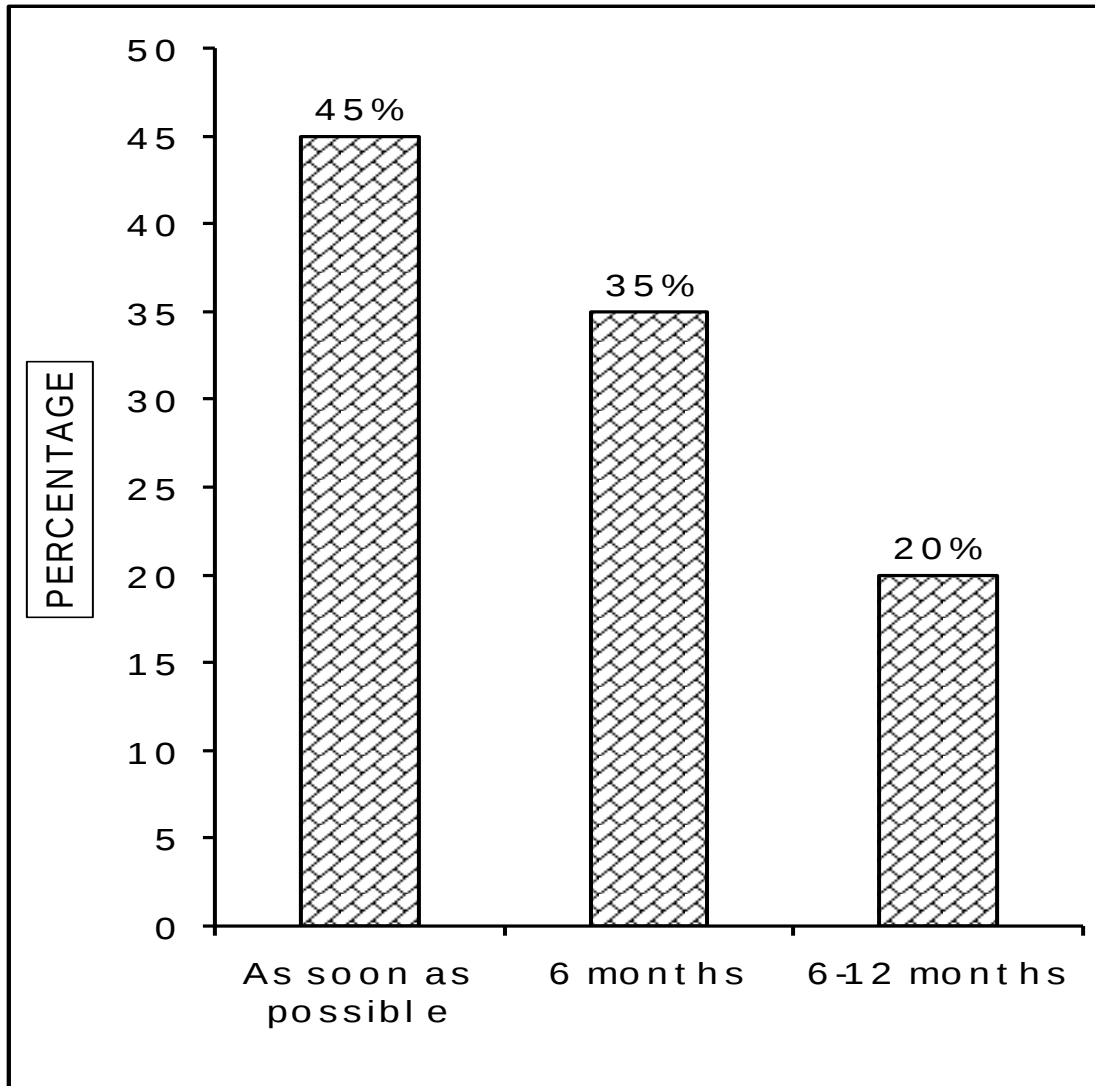
ANALYSIS:

With the help of the above table it can be analysed that, 45% of the respondents would want the time frame to be as soon as possible to buy a design solution, 35% of the respondents would prefer to by in a span of 6months & 20% between 6months to 12months.

INTERPRETATION:

Most of the respondents would want the time frame to be as soon as possible to buy a design solution.

Graph#6: **SHOWING THE TIME FRAME TO BUY A DESIGN SOLUTION BY THE RESPONDENTS**



**Table#7: SHOWING THE PRICING STRATEGY THE
RESPONDENTS COMPANY PREFER FOR IW-RAINBOW-
G3IMX HANDHELD MOBILITY PLATFORM DESIGN
SOLUTION OF IWAVE**

PRICING STRATEGY	NO OF RESPONDENTS	PERCENTAGE
Customary Pricing	40	40%
Negotiating Pricing	30	30%
Premium Pricing	15	15%
Penetration Pricing	15	15%
TOTAL	100	100%

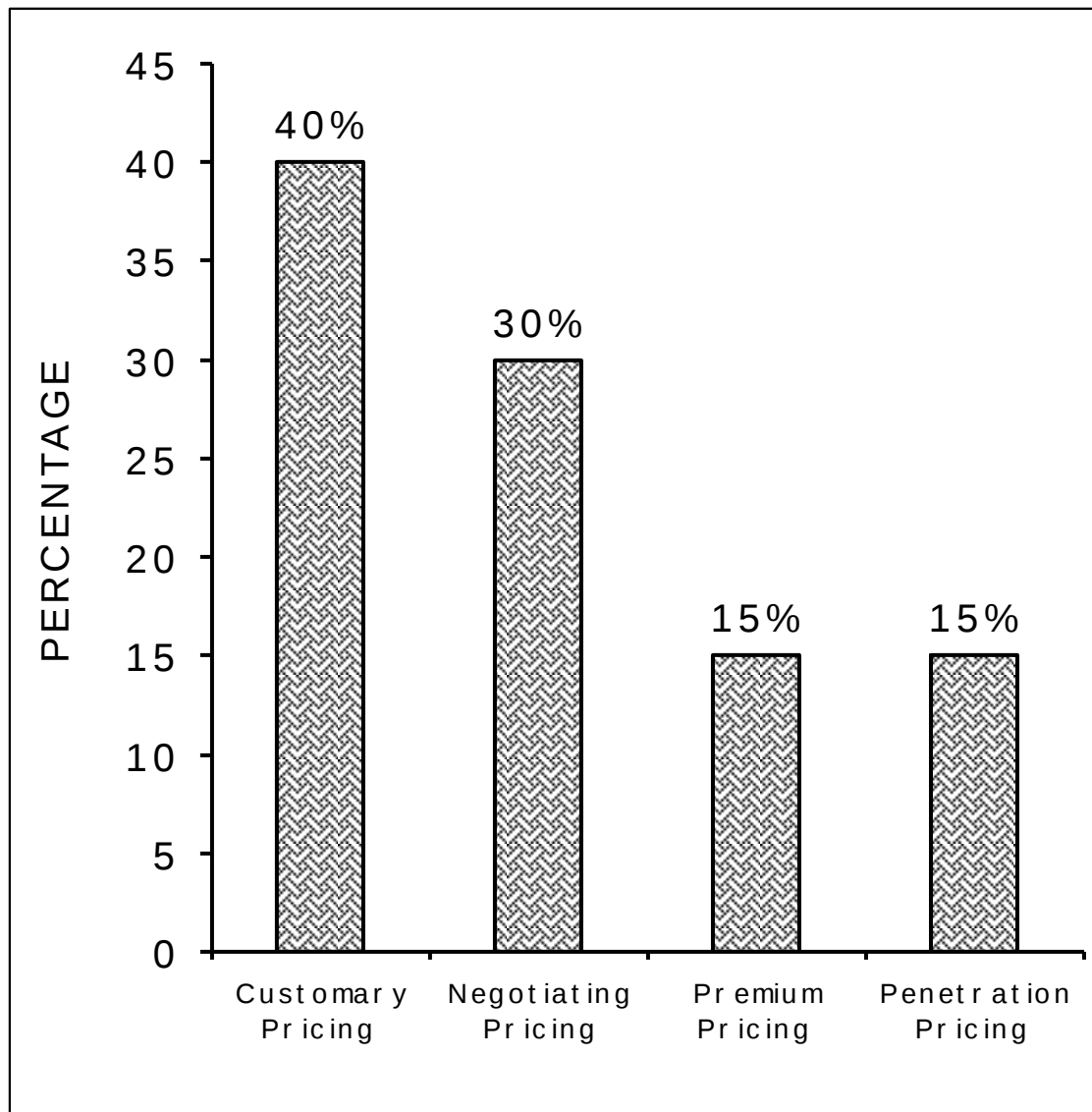
ANALYSIS:

With the help of the above table it can be analysed that, 40% of the respondents prefer customary pricing as a pricing strategy, 30% prefer negotiating pricing, 15% each prefer premium & penetrating pricing.

INTERPRETATION:

Most of the respondents would want the customary pricing for iw-rainbow-g3imx handheld mobility platform design solution of iwave.

**Graph#7: SHOWING THE PRICING STRATEGY THE
RESPONDENTS COMPANY PREFER FOR IW-RAINBOW-
G3IMX HANDHELD MOBILITY PLATFORM DESIGN
SOLUTION OF IWAVE**



**Table#8: SHOWING THE MAIN OBJECTIVE OF PRICING A
PRODUCT**

OBJECTIVE	NO OF RESPONDENTS	PERCENTAGE
Pricing for target returns [ROI]	30	30%
Market share	25	25%
Meet or prevent competition	20	20%
Profit maximization	25	25%
TOTAL	100	100%

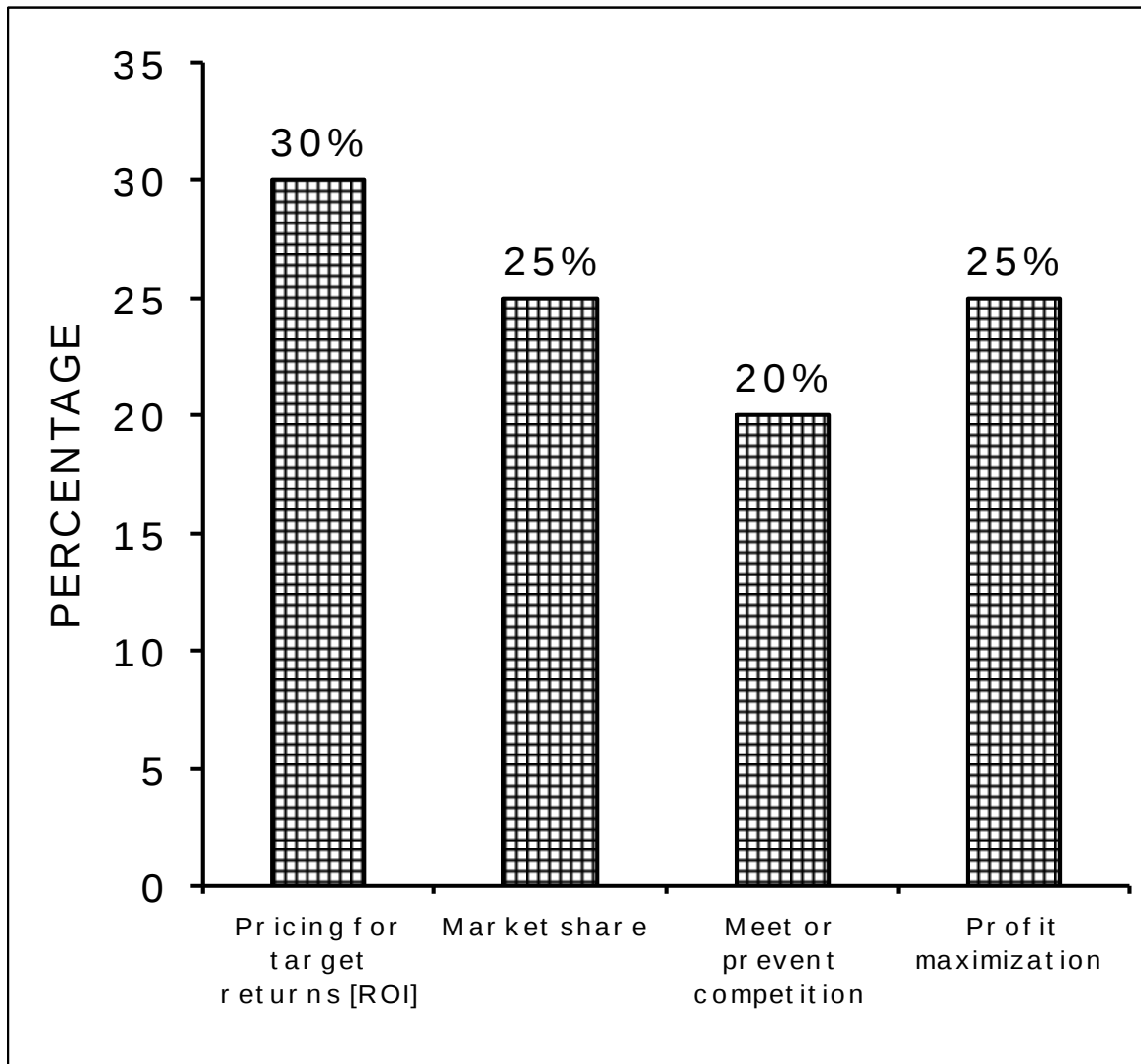
ANALYSIS:

With the help of the above table it can be analysed that, 30% of the respondents main objective of pricing is pricing for target returns, 25% to acquire market share, 25% for profit maximization & 20% to meet or prevent competition.

INTERPRETATION:

Most of the respondents main objective of pricing is pricing for target returns.

Graph#8: **SHOWING THE MAIN OBJECTIVE OF PRICING A PRODUCT**



**Table#9: SHOWING THE MAJOR FACTORS AFFECTING
PRICING OF A PRODUCT**

FACTORS AFFECTING	NO OF RESPONDENTS	PERCENTAGE
Cost of the product	25	33%
Demand	30	25%
Competition	25	22%
Economic conditions	20	20%
TOTAL	100	100%

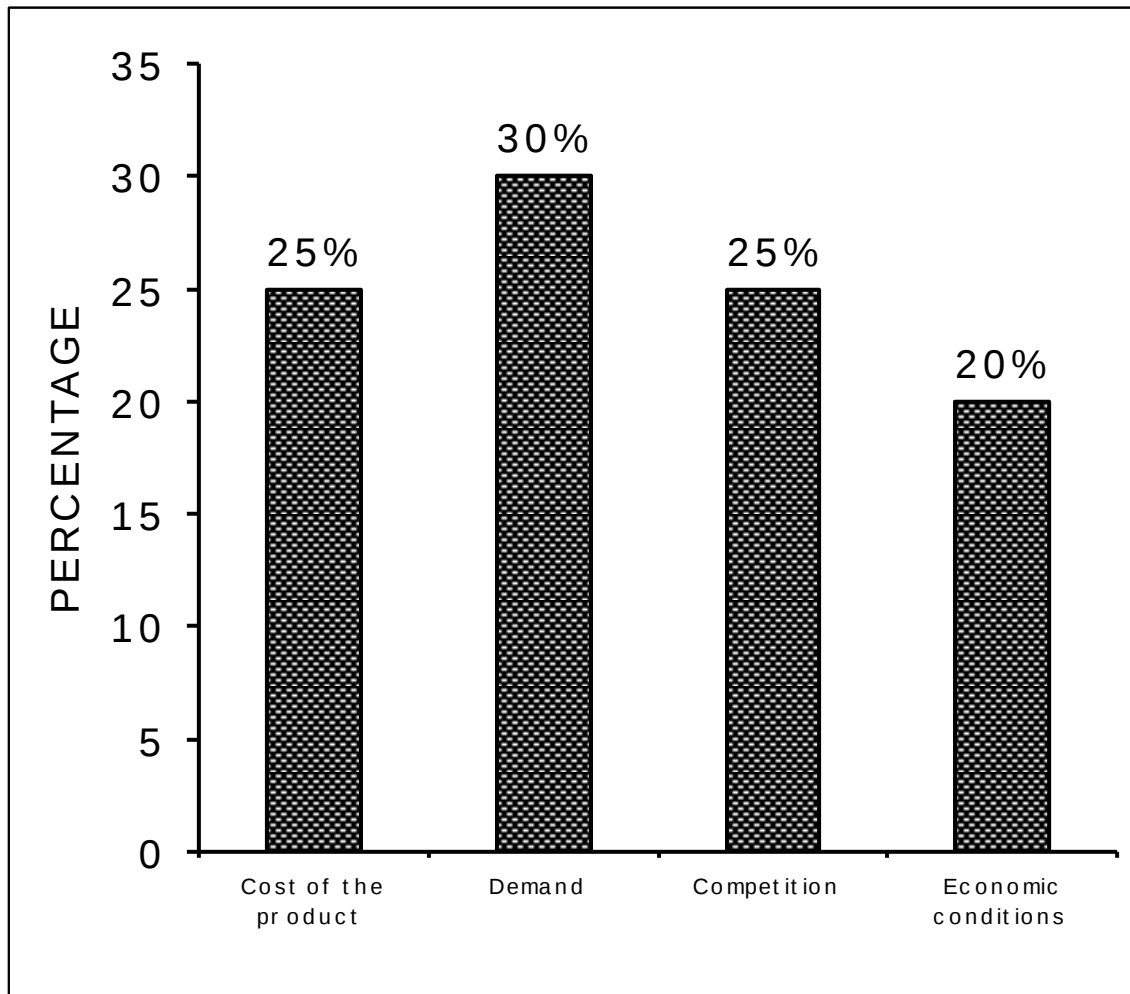
ANALYSIS:

With the help of the above table it can be analysed that, 25% of the respondents think that the major factor affecting pricing of a product is cost of the product & competition, 30% think it is demand & remaining 20% is due to the economic conditions.

INTERPRETATION:

Most of the respondents think that the major factor affecting pricing of a product is due to the demand of the product.

Graphs#9: **SHOWING THE MAJOR FACTORS AFFECTING
PRICING OF A PRODUCT**



Table#10: **SHOWING THE CRITERIA TO SET THE PRICE**

CRITERIA	NO OF RESPONDENTS	PERCENTAGE
Cost based	20	20%
Demand based	22	22%
Cost-Demand based	30	30%
Competition based	28	28%
TOTAL	100	100%

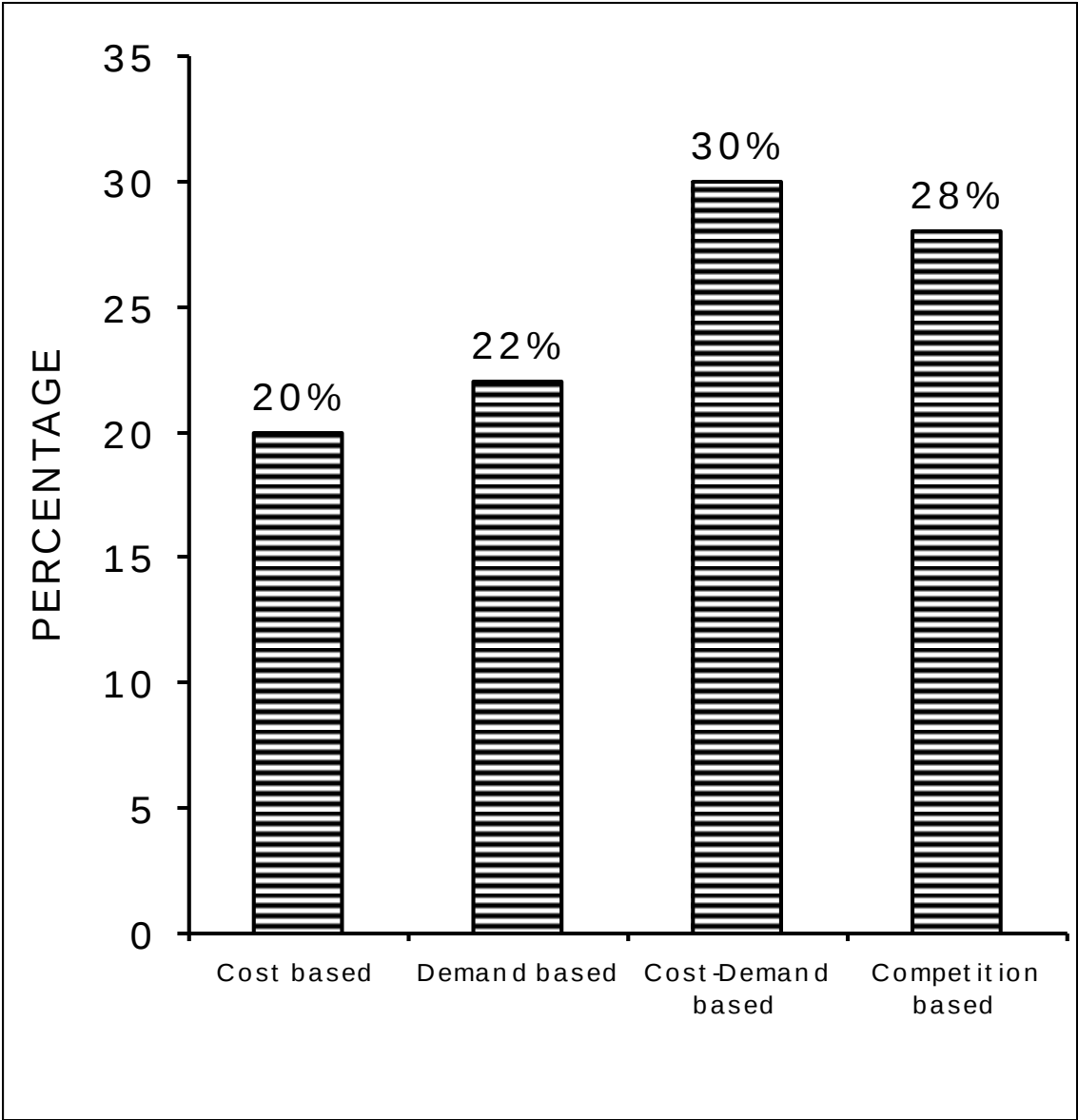
ANALYSIS:

With the help of the above table it can be analysed that, 30% of the respondents think that the criteria to set the price should be cost-demand based, 28% opted for competition based, 22% think it should be demand based & the remaining 20% opted for cost based.

INTERPRETATION:

Most of the respondents think that the criteria to set the price should be cost-demand based.

Graph#10: **SHOWING THE CRITERIA TO SET THE PRICE**



Table#11: SHOWING THE TYPE OF PRICE DISCOUNTS THE RESPONDENTS COMPANY PREFER

TYPE OF PRICE DISCOUNTS	NO OF RESPONDENTS	PERCENTAGE
Cash Discounts	65	65%
Allowances	35	35%
TOTAL	100	100%

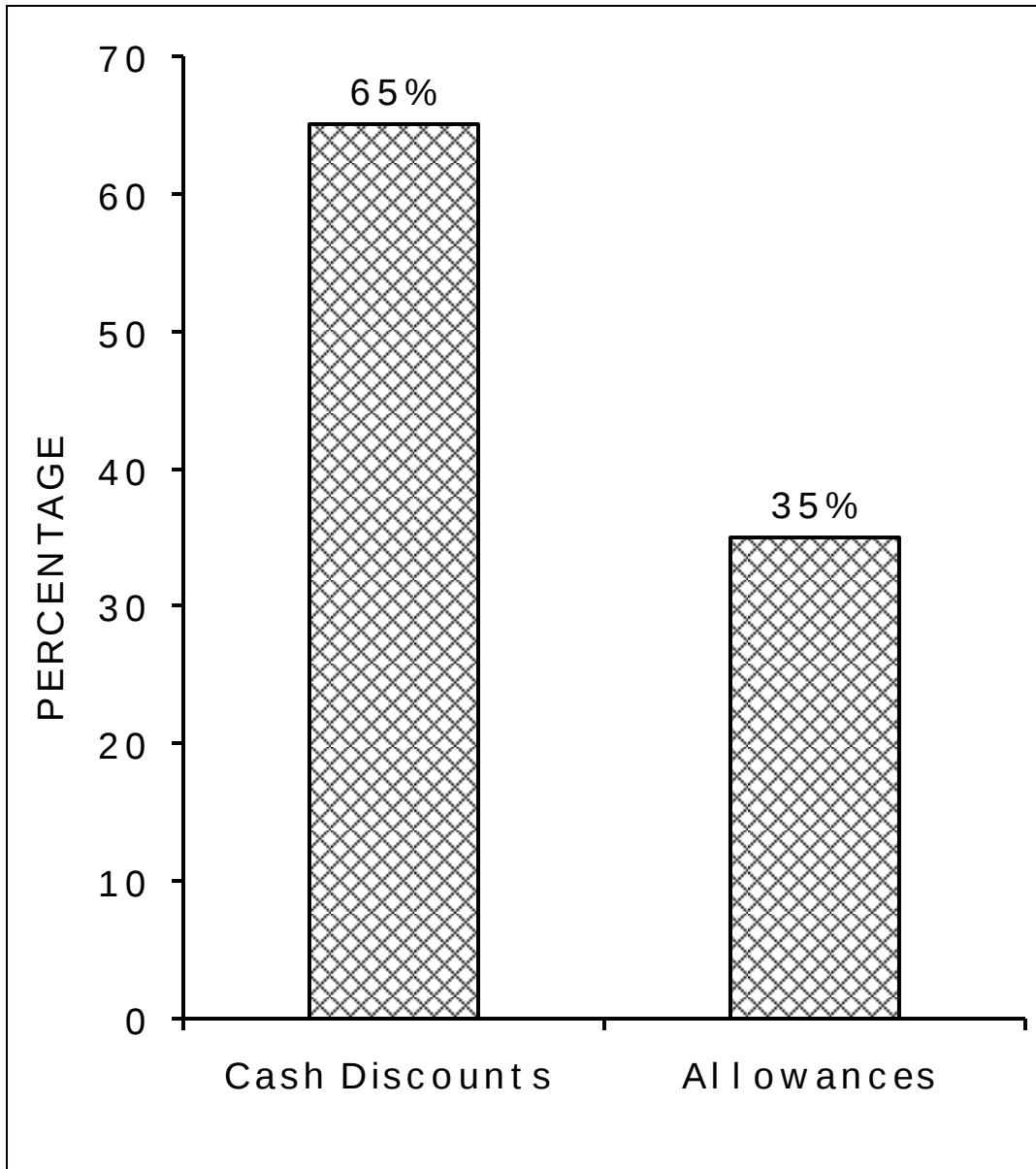
ANALYSIS:

With the help of the above table it can be analysed that, 65% of the respondents prefer cash discounts where as 35% prefer other allowances.

INTERPRETATION:

Most of the respondents preferred cash discounts.

Graph#11: **SHOWING THE TYPE OF PRICE DISCOUNTS THE RESPONDENTS COMPANY PREFER'S**



Table#12: **SHOWING THE MAIN REASON FOR PRICE WARS**

REASONS FOR PRICE WARS	NO OF RESPONDENTS	PERCENTAGE
Bankruptcy and survival	30	30%
Response to a competitive attack	40	40%
The nature of the product	30	30%
TOTAL	100	100%

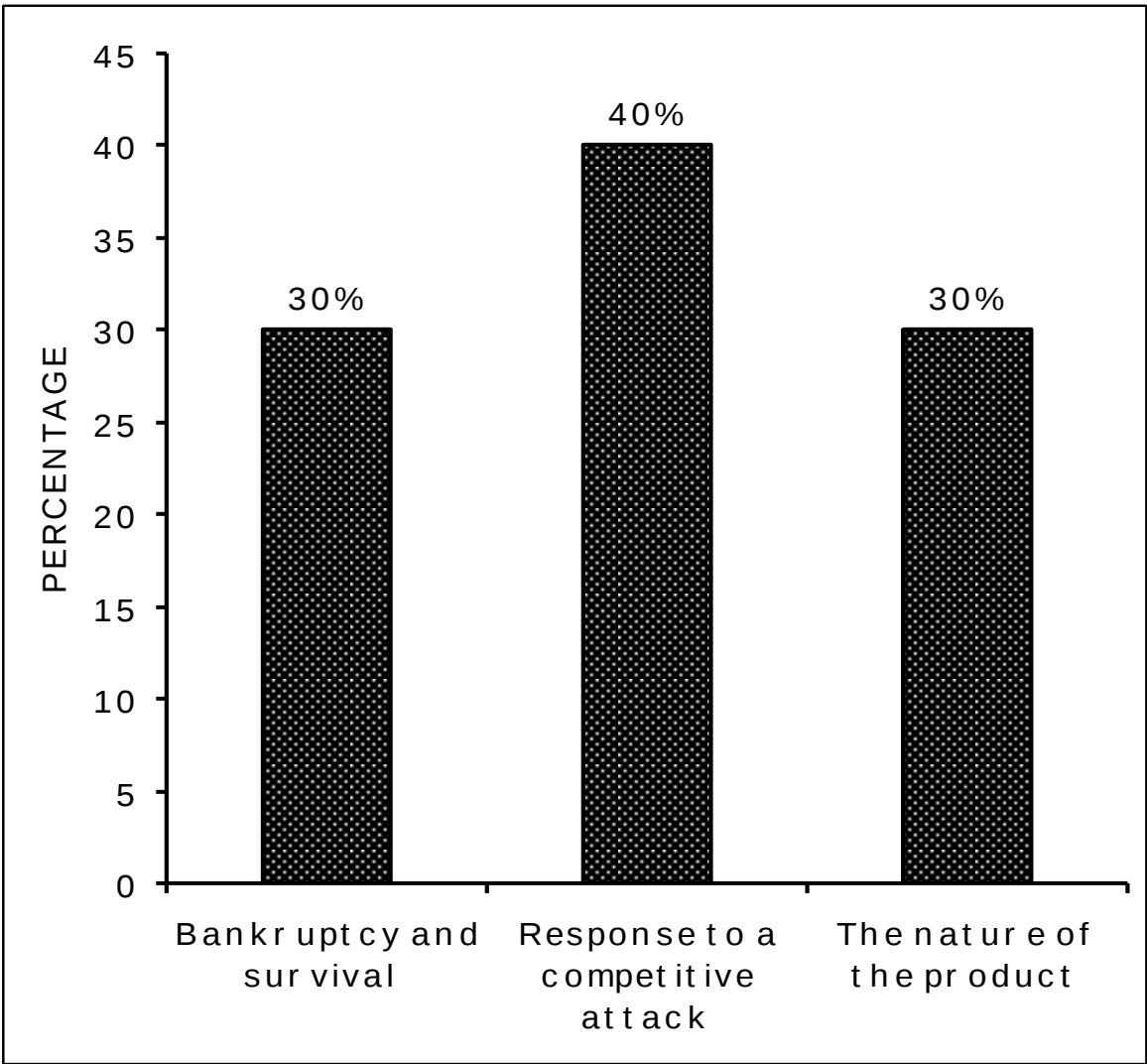
ANALYSIS:

With the help of the above table it can be analysed that, 40% of the respondents felt that the main reason for price wars is response to a competitive attack, 30% felt it to be Bankruptcy and survival & the remaining 30% opted for the nature of the product.

INTERPRETATION:

Most of the respondents felt that the main reason for price wars is response to a competitive attack.

Graph#12: **SHOWING THE MAIN REASON FOR PRICE WARS**



**Table#13: SHOWING THE RESPONDENTS PREFERENCE TO
BUY IWAVE DESIGN SOLUTION IF IWAVE INTRODUCES
JOINT PRODUCT PRICING**

OPINION	NO OF RESPONDENTS	PERCENTAGE
Yes	70	70%
No	30	30%
TOTAL	100	100%

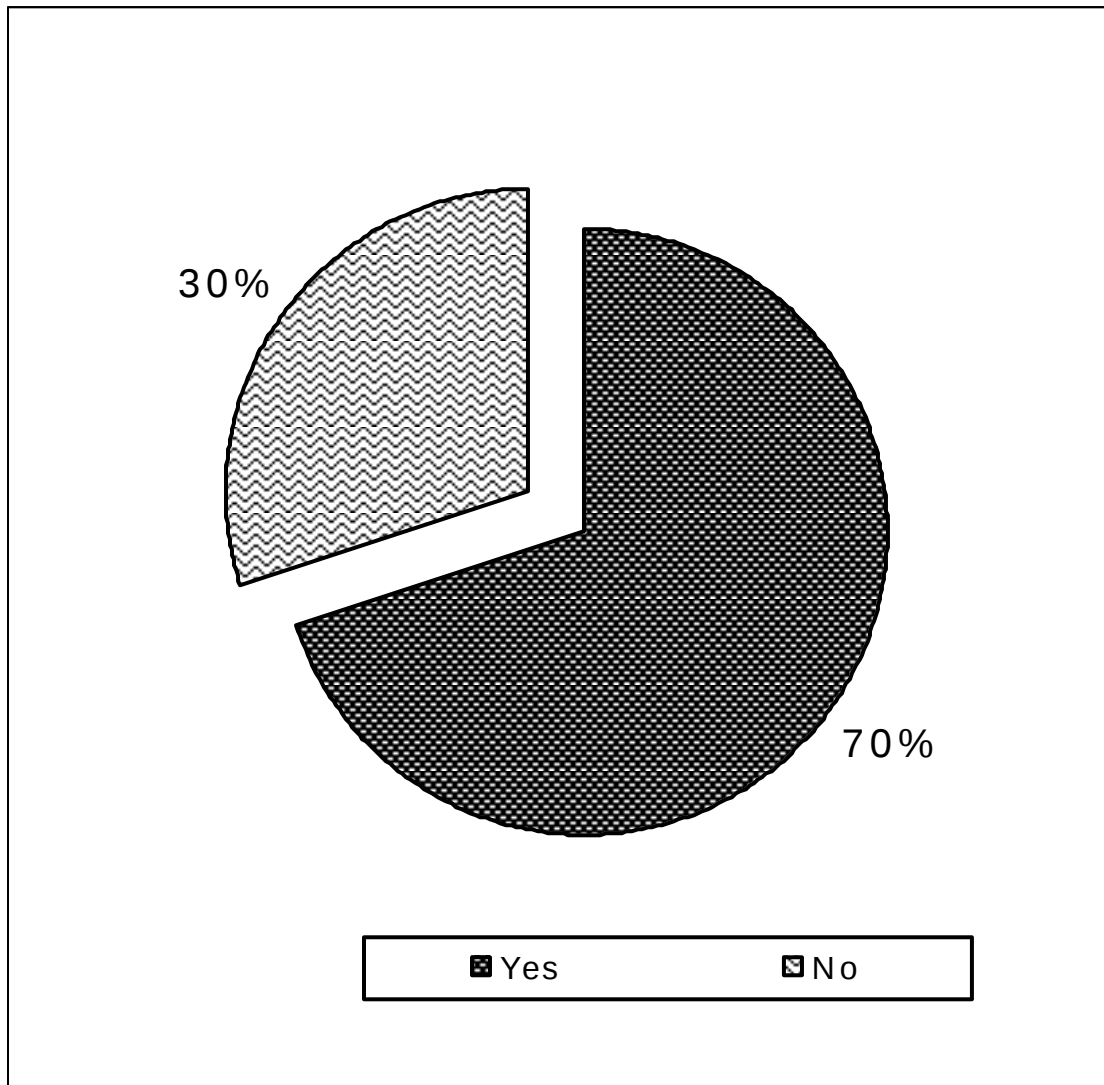
ANALYSIS:

With the help of the above table it can be analysed that, 70% of the respondents prefer to buy iwave design solution if iwave introduces joint product pricing & the remaining 30% do not prefer to buy iwave design solution if iwave introduces joint product pricing.

INTERPRETATION:

Most of the respondents would prefer to buy iwave design solution if iwave introduces joint product pricing.

**Graph#13: SHOWING THE RESPONDENTS PREFERENCE TO
BUY IWAVE DESIGN SOLUTION IF IWAVE INTRODUCES
JOINT PRODUCT PRICING**



**Table#14: SHOWING IF PRICE OF A PRODUCT REFLECTS
THE IMAGE OF A COMPANY**

OPINION	NO OF RESPONDENTS	PERCENTAGE
Yes	85	85%
No	15	15%
TOTAL	100	100%

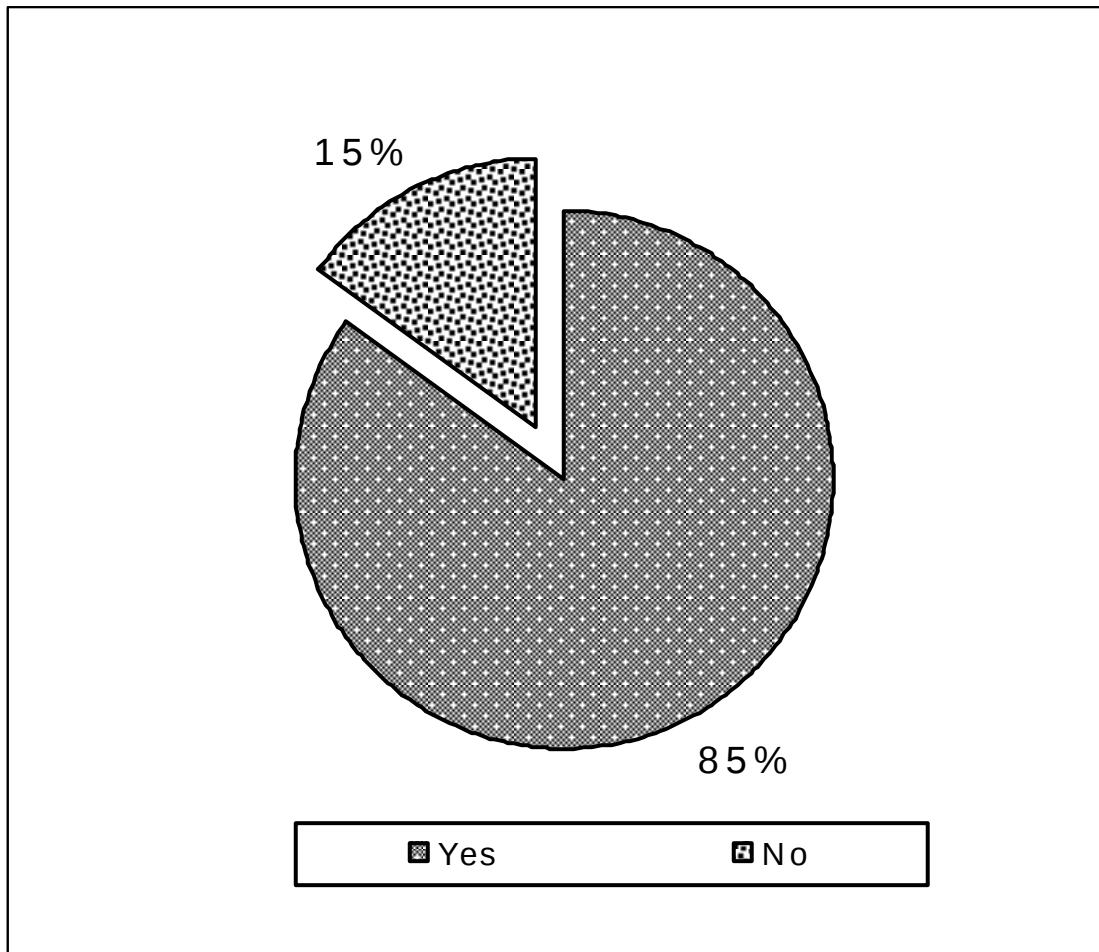
ANALYSIS:

With the help of the above table it can be analysed that, 85% of the respondents think price of a product reflects the image of a company & the remaining 15% think that the price of a product does not reflects the image of a company.

INTERPRETATION:

Most of the respondents think price of a product reflects the image of a company.

Graph#14: **SHOWING IF PRICE OF A PRODUCT REFLECTS
THE IMAGE OF A COMPANY**



Table#15: **SHOWING THE TYPE OF LICENSING THE RESPONDENTS PREFER**

TYPE OF LICENSING	NO OF RESPONDENTS	PERCENTAGE
Single License	45	49%
Multiple License	55	51%
TOTAL	100	100%

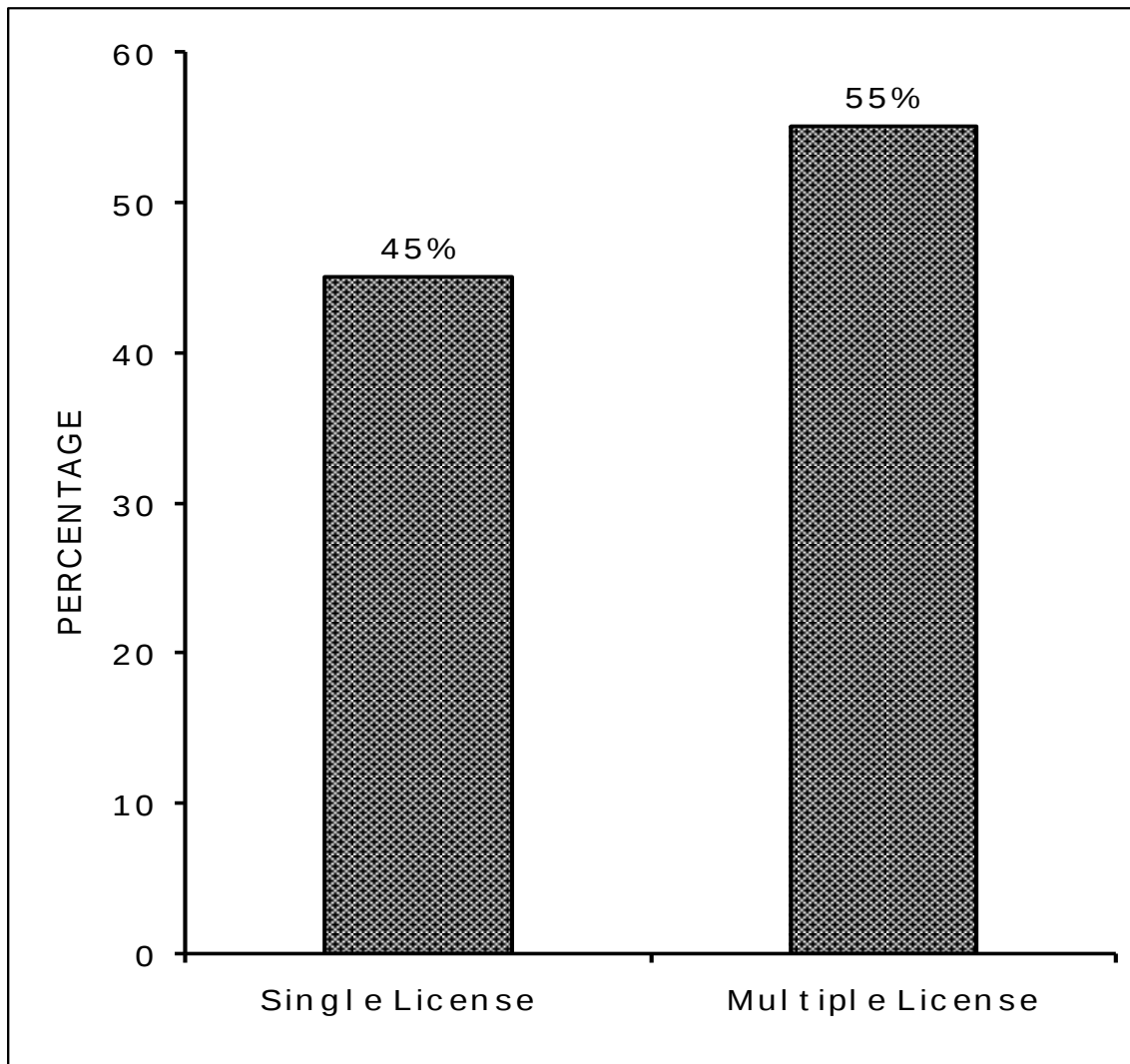
ANALYSIS:

With the help of the above table it can be analysed that, 55% of the respondents prefer multiple licensing & 45% prefer single licensing.

INTERPRETATION:

Most of the respondents would prefer multiple licensing.

Graph#15: **SHOWING THE TYPE OF LICENSING THE RESPONDENTS PREFER**



FINDINGS

Following are the findings on the bases of the data analyzed & interpreted

- ☞ According to the survey 90% of the respondents hold interest in purchase of G3imx Design Solution from *iwave*.
- ☞ According to the analysis 60% of the respondents are been provided design solutions by *iwave*.
- ☞ From the survey it was found that 55% of the respondents prefer price should be highly visible.
- ☞ According to the survey 35% of the respondents think that the price of a design solution should be in the range of 20,000 US \$ - 25,000 US \$
- ☞ According to the survey 45% of the respondents would want the time frame to be as soon as possible to buy a design solution.
- ☞ According to the analysis 40% of the respondents prefer customary pricing as a pricing strategy.
- ☞ According to the survey 30% of the respondents main objective of pricing is pricing for target returns [ROI].

- ☞ From the data collected it can be interpreted that 30% of the respondents think that the major factor affecting pricing of a product is due to the demand of the product.
- ☞ According to the survey done 30% think that the criteria to set the price should be cost-demand based.
- ☞ From the data collected 65% of the respondents prefer cash discounts.
- ☞ From the analysis it was found that Most of the respondents felt that the main reason for price wars is response to a competitive attack.
- ☞ According to the survey 70% of the respondents prefer to buy iwave design solution if iwave introduces joint product pricing.
- ☞ According to the analysis done 85% of the respondents think price of a product reflects the image of a company.
- ☞ The analysis shows that 51% of the respondents would prefer to have a multiple licensing.

SUGGESTIONS

☞ As many companies hold interest in purchase of *iwave* design solutions the company should bring about some exiting offers for its customers.

☞ *iwave* should provide more & more services by creating new design solutions which are convenient for its customer usage.

☞ They should provide design solution services to their custom to retain them.

☞ The company should follow customary price & negotiating pricing as the requirement of every customer is different & thus it would help the company to set the right price.

☞ Apart from quality their price should also be based in par with the market to be ahead of their competitors.

☞ They should bring about new design solution as soon as possible as it would be convenient to their customer to update.

☞ The company should build up new strategies to expand their market share & also move ahead of their competitors.

☞ The company should follow a set procedure for pricing their design solution which consist of the following steps Determine Demand for the Project, Anticipate & Analyze the Competitive Reactions, Establish Expected Share of the Market, Select Pricing Strategy, Consider Companies Marketing Policies, Set the Price

☞ The company should have backup plans to face the price wars.

☞ They can introduce joint product pricing as they have a good customer response which is found out from the survey done.

☞ The company should continue to grow nationally & internationally.

CONCLUSION

This entire study about pricing has brought out the importance of the price factor & has shown that one of the main criteria to stay in the market for a long run includes price also.

Thus price can decide the success or the failure of a firm. Prices are important economic regulators. It is the primary source of revenue which, all firms try to maximize by expanding markets.

Price affects the competitive position & share of the markets. Pricing policy, is a potential weapon which can be used to bring about a proper allocation of resources according to planned priorities.

Hence *i*wave should give its emphasis & focus on setting the right pricing strategies for its new design solution ***iW-Rainbow-G3iMx handheld mobility platform.***

QUESTIONNAIRE

A study on

“Pricing strategies for the new design solution *i*W-Rainbow-G3iMx handheld mobility platform being launched by iwave”.

1. NAME:
2. DESIGNATION:
3. COMPANY:
4. ADDRESS:
5. TELEPHONE:
6. E-MAIL ID:
7. FAX NO:
8. WEB ADDRESS:
9. Does Your Company Hold Interest in Purchase of G3iMx Design Solution from *i*wave?

Yes []

No []

10. Who Provides Design Solutions to Your Company?

Provided by *i*wave []

By your own company []

By the Third Party []

11. According to you how visible should the price be?

Should the price be neutral []

Should it be highly visible []

Should it be hidden []

12. According to Your Company What Should the Price be based on?

- Quality [☐]
- Differential Features [☐]
- In Par Market Price [☐]

13. Which Range Should the Price of Design Solution Fall?

- Less than 15,000 US \$ [☐]
- 15,000 US \$ – 20,000 US \$ [☐]
- 20,000 US \$ - 25,000 US \$ [☐]
- More than 25,000 US \$ [☐]

14. What would be your company's time frame to buy a Design Solution?

- As soon as possible [☐]
- 0-6 months [☐]
- 6-12 months [☐]

15. Which Pricing Strategy does Your Company prefer for iW-Rainbow-G3iMx handheld mobility platform design solution of *iwave*?

- Customary Pricing [☐]
- Negotiating Pricing [☐]
- Premium Pricing [☐]
- Penetration Pricing [☐]

16. What according to you is the main objective of pricing a product?

- Pricing for target returns [☐]
- Market share [☐]
- Meet or prevent competition [☐]
- Profit maximization [☐]

17. What do you think are the major factors affecting pricing?

Cost of the product []

Demand []

Competition []

Economic conditions []

18. According to your company what is the criteria to set the price? It should be.,

Cost based []

Demand based []

Cost-Demand based []

Competition based []

19. What type of price discounts does your company prefer?

Trade Discounts []

Cash Discounts []

Allowances []

20. What according to you is the main reason for price wars?

Bankruptcy and survival []

Response to a competitive attack []

The nature of the product []

21. Would you prefer to buy iwave design solution if iwave introduces joint product pricing?

Yes []

No []

22. Do you think price of a product reflects the image of a company?

Yes ☐

No ☐

23. What type of Licensing Does Your Company Prefer?

Single License ☐

Multiple License ☐

24. Your suggestions for design solutions of *iwave*?

TERMINOLOGIES

1. **CUSTOMARY PRICING:-** Customers expect a particular price to be charged for certain products. The prices are fixed to suit the local conditions.
2. **PENETRATION PRICING:-** A low price is designed in the initial stage with a view to capture greater market share.
3. **PREMIUM PRICING:-** Use a high price where there is uniqueness about the product or service. This approach is used where a substantial competitive advantage exists.
4. **SKIMMING PRICING:-** It involves a high introductory price in the initial stages to skim the cream of demand.
5. **NEGOTIATED PRICING:-** It is also known as variable pricing. The price is not fixed. The price to be paid on sale depends upon bargaining in certain cases, the product may be prepared on the basis of specification or design by the buyer. In such cases the price has to be negotiated & then fixed.
6. **PRICING FOR JOINT PRODUCTS:-** is a little more complex than pricing for a single product. To begin with there are two demand curves. The characteristics of each demand curve could be different. Demand for one product could be greater than for the other product. Consumers of one product could be more price elastic than the consumers of the other product (and therefore more sensitive to changes in the product's price).