



A Model for Product Strategies Typology in Small and Medium-sized Electronic Enterprises

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ABSTRACT

Every practical strategy also should interact with the strategies from other levels of corporate and competitive merits of commercial units to enhance organizational synergy. The role of small and medium-sized enterprises in economic development of nations on one hand, and electronic commerce development in all economic aspects, on the other hand, necessitates appropriate choice of product strategies. Therefore, this study was conducted to present a product strategy typology based on Strategic Reference Points (SRPs) in small and medium sized electronic businesses through the literature review. In this research, 400 small and medium electronic businesses located in Iran were investigated through an electronic questionnaire. For data analysis and responding to the research questions, SPSS 16 and LISREL 8.5 software packages were used. Results indicated that focus and control of reference points are effective factors in selection of product strategy.

Keywords: Product Strategy, Typology, Strategic Reference Points, Electronic Businesses

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INTRODUCTION

Information technology (IT) affects the economy in the same way that it dramatically changes all aspects of human societies. The term economy is the representative digital of an economic revolution, which in turn has an influence on all economic components such as products, consumers, sellers, rivals, markets, and market processes. For coordinating with the environmental changes, organizations active in such a dynamic and varying environment have to appropriately respond to the change of each constituting element. These elements in the marketing activity field are the same marketing-mix components, which are interdependent. Product is a part of marketing-mix, which calls for making appropriate decision for each of its aspects in different environmental conditions (Aaker & Shansby, 1982). Product strategies have to coordinate with other strategies of the corporation since any system present in the strategy level of the organization is required to coordinate with both its subsystems (internal coordination) and upper level and counterpart systems (external coordination) to exhibit management roles and create synergy for reaching higher organizational objectives (Arabi, 2005). The organizations who neglect this coordination are strategically susceptible. Organizations or small and medium enterprises are play a key role in the economy of nations. Considering the importance and role of these businesses, by now a large number of studies have been conducted on application of electronic commerce and learning in small and medium-sized enterprises. However, literature reviews revealed that no model has been proposed for selecting product strategies based on strategic reference points

in the small and medium-sized enterprises in Iran. Thus, this paper is a typology of product strategies in small and medium-sized enterprises in Iran.

Literature Review

Product

Product is the most essential component of marketing mix elements and its results is tangible supply of the corporation to the market. In other words, product is a combination of goods and services offered by corporations to their target markets (Kotler, 2011). As a general definition, any physical goods, service, person, location, organization, and belief, which can be offered to the market is known as product (Mansuri, 2008).

Product Strategies

Product strategies determine those needs of the market, which might be satisfied by different product offers. Product strategies are associated with subjects such as the diversity of the product, product innovation, product field, and product design (Qing & Elisa, 2002). The effective operation of product strategies calls for coordination between different groups, research and development, human resources, and marketing (Sapna & Narula, 2011). However, this level of integration hinders developing and executing the product strategies. In many corporations, to reach an appropriate level of coordination between strategic units, decisions related to strategic products are made by senior managers. In some organizations, the overall instructions of the product strategy are planned in the organization level, where the real planning is assigned to the commercial units. These corporations reason that this option is more preferable compared to other layouts, since dealing with details of product strategy in a diversified corporation is difficult for the senior managers (Kolcum, 1989). The product strategies detected by now are positioning and repositioning strategies, product overlap strategy, product scope strategy, product design

strategy, product elimination strategy, and new product strategy. In the following sections, these strategies are briefly discussed in the view of their definition, objectives, prerequisites, requirements, and expected results.

Product Positioning Strategy

Positioning is product design and a mental image of the corporation as these two find a distinct and clear competitive position in the customers' mind (Kotler, 2011). The result of product repositioning strategy is the successful creation of a market-friendly benefit offer and clarifying why the target market should buy a given product. Each product with its brand must have a specific characteristic and try to be number-one in a field and advertise itself to the society (Moon, 2004). The buyers remember number-one messages well. Generally, a corporation can apply seven positioning strategies (Aaker, 1982; Wind, 1982):

- **Attribute positioning:** Which is the case a corporation positions it based on a specific characteristic such as size and lifetime etc.
- **Benefit positioning:** Here, the product has a property as if it is pioneer in a given advantage.
- **Use application positioning:** this positioning requires the product to have a position that excels it for a particular type of users.
- **Competitor positioning:** Here, the product is given a position as if it is perfect in a specific product category. In addition, the following competitors are occasionally addressed or implied:
- **Product category position:** Here, the product has a position as if it is the top product in a particular product category.
- **Quality/price positioning:** Here, the product finds a customized position as if it is very useful.

Repositioning Strategy

Examining the present position of the corporation and marketing mix in a product and seeking a better position for the given product is known as repositioning (Fahey & Younger, 1992). Corporations follow two objectives by taking the repositioning strategy: increasing the product life and modifying the mistakes that may have happened during the initial positioning.

Product Overlap Strategy

It is defined as competing with a private brand of a given individual through introducing competitive products using the customized label and selling to the manufacturer of the main parts. The main objective for performing such a strategy can be explained as absorbing a larger number of customers and then market expanding, working with full capacity, and economies of scale, selling to rivals for scale economizing, and cost reduction (Dennis, 2010; Jain, 1999).

Product Scope Strategy

Product field strategy relates to outlooks for a product mix of a given corporations. This strategy is determined through comprehensive consideration of all missions in a given commercial unit. A corporation might apply each of the product strategies including (Patterson & Duff, 1993):

Single product strategy: to increase economization in the scale of specialism development.

Multi product strategy: covering the risks applied in an outdated and unpopular product by adding complementary products.

Product system strategy: to enhance dependence of the customer to other products of the corporation. Moreover, it is also intended for preventing rivals moving toward the market.

Product Design Strategy

This strategy relates to the standard level of a given product. In this strategy, the corporation is capable of choosing among standard product strategies, customized product, and adjusted

standard product. Product design strategies are as follows (Alsop, 1988):

- **Standard product strategy:** Designing a standard product and enhancing in scale economization.
- **Customized product strategy:** Competing with producers of standard mass products through designing flexible products for customers.
- **Augmented standard product strategy:** Mixing the benefits achieved by the two previous strategies. This strategy allows the corporation to maintain a close contact with the target market, and obtain experience in development of new standard products (Che, 2009; Dennis & Brandenn, 2009).

Product elimination strategy

Product elimination strategy is interrupting the product mix of a particular business through eliminating some products in the product line, or by complete deregulation of a unit or business. This strategy is applied to eliminate undesired products since they result in recurring costs and very low benefit. In addition, since they cannot adjust themselves with the general business strategy (Hise & Parasuraman, 1984).

New product strategy

Consultant Booz, Allen, Hamilton Inc. distinguished six product categories in terms of their novelty (Booms & Bitner, 1981):

- **New product lines** are new products, which need completely new markets.
- **New to the world products:** those that allow the corporation to enter an established market for the first time.
- **Additions to existing product lines:** those new products that complete the established lines of the corporation (in terms of packaging, flavor, taste etc.) (Dennis & Brandenn, 2009; Dennis, 2010; Dennis & Elizabeth, 2012).
- **Improvements and revisions to existing products:** are products, which replace existing products, having higher performance compared to the previous products, and customers have a better attitude toward them (Islam, 2001).
- **Repositioning:** are existing products, which aim at new markets or segments.
- **Cost Reductions:** are products, which have the previous performance with lower costs and sale prices (Qing & Elisa, 2002).
- Ansoff believes that to obtain future growth, a corporation definitely has to apply one of these strategies: developing existing activities or diversification of its activities, and doing new activities through either developing new activities or acquiring another corporation. Therefore, he introduces four product strategies (Ansoff, 1957):
- **Market penetration:** corporations try to increase their existing share of products' market and services through marketing activities (Deft, 2001). The majority of these activities is operationalized in an overall or single manner, and is sometimes even parallel to other strategies (Ruiliang, 2009). it involves increasing the number of sellers and advertisement costs; extensive advertising for sales increase, and increase in communication and advertisement volumes (Green, 2000).
- **Market Development:** is offering existing products and services to new geographical locations. One might say that the highest odds for success of many corporations are delivering products or services to new markets (Yunsook et al., 2009). This strategy

might involve creation and design of marketing programs for absorbing non-purchasing or random purchasing segments in existing markets. Penetrating new geographical markets, especially in developing countries, is also among the main strategies applied by many corporations (Schenker, 2000; Sellers, 1991).

- **Product development:** Is the act of performing one of the strategies through which the cooperation attempts to enhance sales by improvement or modification of existing products and services. Product development is a way to achieve future growth by emphasis on promotion of the quality of the existing product family or introducing and offering new products to existing customers (Walker, 2001).
- **Diversification:** Corporations also seeks growth through diversification of their operations and activities. The risk of operating this strategy is higher than that of other growth strategies, since it accompanies learning new operations and performing them by as well as working with groups of unfamiliar new customers (Sapna & Narula, 2011). Table 1 presents a group of product strategies and the reason for their selection by corporations.

Table 1: A group of detected product strategies and the cause of their selection by corporations

Product Strategy	Selection cause
Product positioning	Creation of a considerable competitive position in customers' mind
Repositioning	Increasing the life cycle of the product; modification of positioning mistakes
Product overlap	Increase of market share, promotion of competition position, economies of scale
Single product	Increase economies of scale by specialism
Multiproduct	Covering the risks involved using an outdated product by complementary products
Product system	An increase in customer's dependence on a given product
Standard product	Designing a standard product and economies of scale
Customized product	Designing flexible products for customers
Modified standard product	Close contact with the target market and developing standard products
Product elimination	Elimination of undesired products due to increase in costs and low benefits
New to the world products	New products for new target markets
New product lines	New products for existing markets
Additions to existing products lines	Complementary to the existing products
improvement and revisions of existing products	Offering a product as the alternative for a previous product
Cost Reductions	An increase in performance, economies of scale
Market penetration	An increase in market share, an increase in utilization level of the product
Market Development	Geographical expansion and new units for the present product
Product Development	Product improvement, development of product family and new products for present markets
Diversification	Vertical integration, diversification through performing related and unrelated activities

Strategic reference point theory

Strategic reference point theory explains that individuals and organizations can use strategic reference points when evaluating their available options. According to Fiegenbaum, Avi, and Hart Schendel (1996), strategic reference points are reference targets or objectives applied by managers to evaluate their options for taking strategic decisions and announcing their organizational or system preferences to key stakeholders (Fiegenbaum et al., 1996). Based on their work, understanding strategic reference points in an organization is a method for achieving strategic coordination (Javalgi, 2006). Strategic reference points are

points for reaching coordination, which offer a comprehensive coordination in the case of all elements, and with whom systems of organization adjust themselves with (Chris & Jamie, 2011; Rezvani, 2007; Yohanes et al., 2010). Fiegenbaum et al. indicated that the reference points with internal, external, and temporal basis should not be regarded as purely monopolistic options; rather they are considered as multi-group multidimensional elements. Each parameter indicates a specific target and is capable of creating a reference point and, in turn, a decision-making framework. Thus, they suggested application of a 3D matrix with internal, external, and temporal dimensions, which allows organizational decision makers to evaluate their positions based on process criteria and results (internal dimension) based on the past, present, and future (temporal dimension) of the rivals, customers' suppliers, and other beneficiaries (external dimension). In this way, a given pattern is formed based on interactions of these internal, external, and temporal factors (Pi-Chuan, 2010). The created space by these three dimensions is called a "strategic reference point matrix". The shape of reference patterns or selected reference points has implicit important effects in strategic choice behavior and the corporation's performance. Based on the abovementioned points, it can be implied that management experts apply two dimensions of management focus and control type as the strategic reference points of the organization for theories' typology and making comprehensive coordination in the organization (e.g., inverse efficacy (Hall, 2004), competing values, culture typology (Deft, 2001), and human resource typology (Bumgerger, 2009). Further, the conceptual model of the research is defined based on two reference points, focus, and control level.

Conceptual model of the research

To study product strategies in the small and medium-sized electronic enterprises in Iran, Ansoff's product strategy was selected, and typology of the product strategy was applied on two strategic reference points including product and market. The results of similar researches show that focus and control level fit with product and market points (Rezvani, 2011). Table 2 indicates these reference points.

Table 2: Strategic marketing reference points (Booms & Bitner, 1981)

Strategic reference points (SRP) of marketing	Notes	Product Life cycle level
First SRP-competition (control) level	High	High number of rivals, low control over factors (flexibility), distinct product
	Low	Low number of rivals, intense control over products, and standard products
Second SRP-focus, inside or outside of existing markets	Inside	Maintaining existing market, maintaining existing share of market: implies organization performance
	Outside	Finding new markets, increasing market share: implies organization efficacy

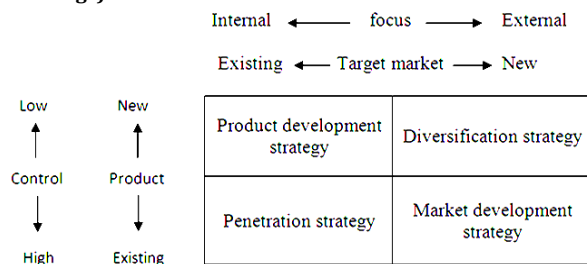
Nevertheless, we must define whether these two addressed strategic reference points are effective factors in selection of product strategies. These factors were identified through the literature review, and are presented in Table 3.

Table 3: Effective factors of selecting product strategy

Main factors	Minor factors	References
Focus	Product innovation	(Green, 2006; Kotler & Armstrong, 1996)
	Access level to the sources	(Patterson & Duff, 1993)
	Organizational relation with communication networks	(Patterson & Duff, 1993)
	Corporate market/product	(Green, 2000; Patterson & Duff, 1993)
Control level	Risk level	(Patterson & Duff, 1993)
	Rules and regulations	(Patterson & Duff, 1993)
	Strategies	(Patterson & Duff, 1993)
	Knowledge and technology level of the organization	(Patterson & Duff, 1993)

After identifying strategic reference points and their related representative factors, the product strategies are placed in the matrix based on these points; corporations in the initial stages of entering the market, and growth demand having new customers, and market while the mature or falling ones attempt to keep their existing customers and markets (Ilan et al., 2009; Moon, 2004). Some corporations focus on attracting new customers and entering new markets, which indicates their further attention to new markets other than their existing markets. In the case where competition is more intense in a given industry or market, corporations have to distinguish their products, otherwise they will lose market share (Mons et al., 2011). On the other hand, once the competition is low in a market, corporations feel no obligation to distinguish their products and can introduce the same standard products. When the number of rivals is high, and as a result, competition gets more intense, corporations have little control over the market forces and marketing mix factors. In contrast, once the competition is low, this control can be more and more intense (Moon, 2004; Walker, 2001). Corporations have few rivals in the stages of entering the market or fall of their products. In this regard, product development and penetration strategies shift their focus onto existing markets and customers, while diversification strategies concentrate on new markets rather than their existing ones (Kotler & Armstrong, 1996). Besides, diversification and product development strategies have little control over the factors, while market penetration and development strategies have more intense control over the factors. Table 4 presents categories created based on these two strategic reference points.

Table 4: Conceptual model of the research (research findings)



Based on the conceptual model of the research, two main hypotheses and eight minor hypotheses emerged.

First main hypothesis: focus of the organization on the environment is an effective factor on product strategy:

Minor hypothesis 1: Product innovation is an appropriate representative of focus.

Minor hypothesis 2: Access to sources is an appropriate representative of focus.

Minor hypothesis 3: Organizational relations are appropriate representatives of focus.

Minor hypothesis 2: The market/product of a corporation is an appropriate representative of focus.

Second main hypothesis: Organizational control is an effective factor on type of product strategy.

Minor hypothesis 5: Risk level is an appropriate representative of control level.

Minor hypothesis 6: Rules and regulations are appropriate representatives of the control level.

Minor hypothesis 7: Other levels of strategy are appropriate representatives of the control level.

Minor hypothesis 8: Organizational knowledge level is an appropriate representative of control level.

METHODOLOGY

This research is applied and descriptive. Moreover, in terms of positivism (objective perspective) and structuralism (subjective perspective) approaches, this research follows the experimentalism philosophy convention (objective perspective) (Yen, 2011). The time limits of this research are from January 2013 to March 2014.

The population of this work is small and medium-sized electronic enterprises of Iran and the question targets are top and middle managers of the organizations. In this work, small and medium-sized electronic enterprises are studied based on definition of the Industry and Mines Ministry of Iran (i.e. companies with less than 50 employees). According to reports published by the administration of Internet Domains Registration of Fundamental Sciences Center, 523725 domains were registered in Iran until March 2014; however, there is no categorized statistics on how many of these domains are active as small and medium-sized electronic enterprises. In this regard, the statistical society volume of this work was considered as unlimited (Momeni, 2010). Regarding the population conditions, convenience-sampling was evaluated as preferable compared to other sampling methods. To perform the sampling process, we went to the Secretariats of the First Conference on Introducing the Best Internet Businesses and Third Festival of Iranian Websites and obtained the information and data from these festivals. We selected almost 650 electronic enterprises, and successfully sent 617 electronic questionnaires to their senior managers. We received 400 complete responses. As previously mentioned, a questionnaire was employed for measuring research parameters. To measure control level and focus of product strategy, because there was no standard questionnaire available in this field, we tried to use previous works and fitting the questions with factors defined by Walker et al. (2003). In addition, the validity (content and structure) and reliability (α -Cronbach coefficient = 0.829) of the questionnaire was measured.

Data analysis

Results show that 19.5% and 80.5% of the participants were female and male, respectively, implying the increasing share of men's participation compared to women in electronic enterprises. In terms of educational level, the participants had diploma (17.2%), associate degree (9.8%), BA (46.2%), MS (23.5%), and PhD (3.2%). Moreover, the results revealed that electronic shopping (21.5%) and electronic advertisement (15%) have the highest share compared to other enterprises. Table 5 indicates data related to the enterprises.

Table 5: Properties of the electronic enterprises

Characteristics		Percent (%)
E-Business	Less than 1 year	16.2

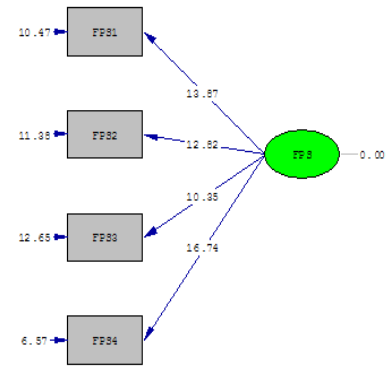
experience	1 to 5 years	55
	6 to 10 years	19.8
	More than 10 years	9
Activity field	Electronic shop	21.5
	Electronic advertising	15
	Giving specialized information	13.2
	Intermediation	12
	Internet marketing	7
	Auction and bid	6.2
	Communities (virtual groups)	10.5
	Internet servers	10
	Other businesses	4.5

Before testing the main hypothesis of this work, first, we examined whether the detected effective factors in product strategy selection define the focus and control level or not (minor hypotheses). Hence, in the following lines, the model applied for measuring the focus and control level of product strategy produced by structural equilibriums modeling is explained.

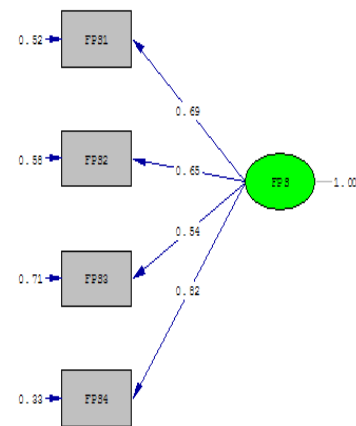
Table 6: Properties of the observed focus parameters of product strategy

No.	Observed Variables	Title
1	New product innovation	FPS1
2	Access level to the sources	FPS2
3	Organizational relations and communication networks	FPS3
4	Corporate market/product	FPS4

In addition, Figure 1 shows LISREL outputs in standard state and t-values of the product strategy focus model. Considering the Chi-square to degree of freedom below 3, RMSEA value is less than 0.08, and GFI, CFI and NFI indexes greater than 90%, it can be concluded that SRP1(Focus) is an efficient model. Moreover, t-values calculated for all relations between the latent parameter of the focus and observed parameters were greater than two, implying the validity of all relations were. Table 7 presents states of the first to fourth minor parameters.



Chi-Square=0.70, df=2, P-value=0.70498, RMSEA=0.000



Chi-Square=0.70, df=2, P-value=0.70498, RMSEA=0.000

$\chi^2/df=0.35$	RMSEA=0.000	RMR=0.0060	GFI=0.97	CFI=1.00	NFI=1.00
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Figure 1: standard model and T-values of the product strategy focus model

Table 7: Results of minor hypotheses 1 to 4 of the research

No. of minor hypothesis	Coefficient of determination	t- values	Test result
1	0.69	13.87	Confirmed
2	0.65	12.82	Confirmed
3	0.54	10.35	Confirmed
4	0.82	16.74	Confirmed

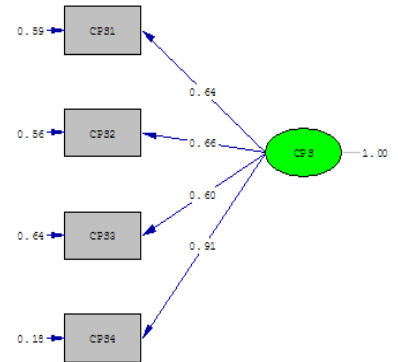
As mentioned in the theoretical literature and literature review section, the criterion for product strategy control level is composed of four components. Table 8 shows these parameters and their measuring method.

Table 8: Properties of the observed parameters for product strategy control level

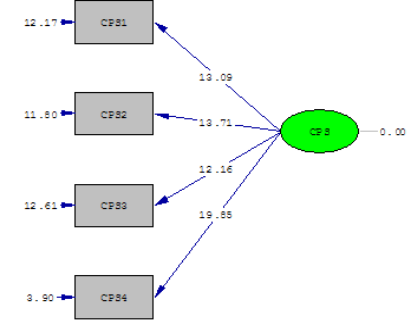
No.	Observed Variables	Title
1	Risk	CPS1
2	Rules and regulations	CPS2
3	Strategies of the other levels	CPS3
4	Organizational level of science and technology	CPS4

The structure of product strategy control level was studied by considering four components. Considering the Chi-square to degree of freedom below 3, RMSEA value is less than 0.08, and GFI, CFI and NFI indexes greater than 90%; it can be concluded that SRP2 (Control Level) is an efficient model. Moreover, t-values calculated for all relations between latent parameter of the control and observed parameters were greater than two, implying the validity of all relations (Figure 2).

Figure 2: Standard model and t-values of the product strategy control level



Chi-Square=1.34, df=2, P-value=0.51192, RMSEA=0.000



Chi-Square=1.34, df=2, P-value=0.51192, RMSEA=0.000

$\chi^2 / df = 0.67$	RMSEA = 0.000	RMR = 0.0097	GFI = 1.00	CFI = 1.00	NFI = 1.00
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Table 9: Results of fifth to eighth hypotheses of the research

No. of minor hypothesis	Coefficient of determination	t- values	Final result
5	0.64	13.09	Confirmed
6	0.66	13.71	Confirmed
7	0.60	12.16	Confirmed
8	0.91	19.85	Confirmed

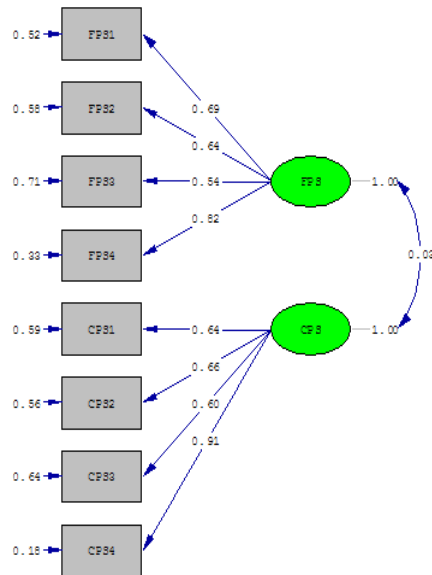
To examine convergence and discriminant validity of the structure, it is required to evaluate focus and control level of the model. To measure convergence validity, AVE index was applied. To measure this index, functional loading coefficients of the observed parameters for focus and control level are used. For instance, product strategy focus is obtained from the summation of square of innovation coefficients of the new product, access level to sources, organizational relationships and communication network, and market/product divided by 4:

$$AVE (FEB) = (0.692 + 0.652 + 0.542 + 0.822) / 4 = 0.47$$

It must be noted that the load coefficients are extracted from conformational functional analysis of the research model (see Fig. 3). The calculated AVE for the focus and control levels are 0.47 and 0.50, respectively. Therefore, it is possible to confirm convergence validity between the focus and control level parameters.

Covariance square was applied to examine discriminant validity. Fig. 3 indicates that correlation between the product strategy focus and control level is 0.03; thus, covariance is 0.0009. The AVE index for product strategy focus is 0.47, which is greater than the covariance of this parameter with other research parameters (0.0009). Furthermore, AVE index for product strategy control level is 0.50, which is greater than covariance square of this parameter with focus (0.0009). Therefore, discriminant validity is confirmed among the research parameters. In general, presence of convergence and discriminant validity implies that product strategy focus and control level involves structural validity.

Figure 3: Measuring model of the product strategy focus and control level



Chi-Square=20.82, df=19, P-value=0.34697, RMSEA=0.015

Now, to examine the main hypotheses of the research (focus and control level are effective factors in selecting product strategy), it is required to test statistical hypotheses. Table 10 indicates the suitable statistical test for this research.

Table 10: Results for selecting suitable statistical test

Main hypothesis	Are the data random?	Do data have normal distribution?	Statistic field of the test	Hypothesis type	Suitable statistic test
First: focus	Yes	No	Parametric	Single Variable	t test
Second: control level	Yes	No	Parametric	Single-Variable	t test

After selecting the suitable statistical test, the main hypotheses of the research were examined in the form of statistical hypotheses.

Table 11: Results of t- test for first hypotheses

	Test Value=2.5					
	t	Degree of freedom	Variance	Two-way significance	Confidence level = 0.95	
					Maximum	Minimum
Focus of product strategy	21.665	399	0.78058	0.000	0.8514	0.7097

Based on the results obtained from Table 11, test statistic (21.665) is greater than table statistic (1.96). Moreover, the significance level is less than the error level (5%). Therefore, it can be stated the null hypothesis is rejected (focus of the organization on the environment is an effective factor in selecting product strategy).

Table 12: Results of Chi-square test for samples of second hypothesis

	Test Value=2.5					
	t	Degree of freedom	Variance	Two-way significance	Confidence level = 0.95	
					Maximum	Minimum
Control level of product strategy	13.641	399	0.50280	.000	0.5753	0.4303

Table 12 indicates that test statistic (13.641) is greater than table statistic (1.96). Moreover, significance level is less than the error level (5%). Therefore, it can be stated the null hypothesis is rejected (control level of the organization to the environment is an effective factor in selecting product strategy).

DISCUSSION AND CONCLUSION

Researches show that product strategy is a subject on which few numbers studied independent from the marketing mix have been conducted. The majority of performed previous works investigate, model, and propose a marketing mix approach. Moreover, the results of previous works indicate that the majority of the previous works conducted on small and medium-sized electronic enterprises of Iran are about applying electronic commerce, electronic readiness, examination of the factors effective on application of e-commerce, implementation of knowledge management, and job creation education (Haj Karimi et al., 2009; Talebi, 2008; Amid, 2009; Fathian, 2008). In this regard, different factors effective on selection of product strategy (Ansoff, 1957; Kolcum, 1989; Walker, 2001) were detected and categorized in the form of criteria and strategic reference points. The present study not only confirmed results of previous works on detection of factors effective on selection of product strategy, but also classified these factors in the form of two SRPs, including focus and control level. Then, based on these points, the typology of the product strategies in Iranian E-SMEs was introduced.

The findings of this work can lead to extending research literature related to product strategies. Although a relatively high number of researches have been conducted about the definition, nature, and classification of product strategies in other countries, few works present typology of the product strategies. Moreover, there is no comprehensive research on typology of product strategies based on strategic reference points at E-SMEs in Iran. The majority of these works present a coordination framework or pattern for strategies of different levels (Paley, 1999). Therefore, this research can be regarded as a cornerstone for future works on relationship between product strategies and other organizational elements and dimensions. About research limitation, convenience sampling technique was used due to lack of a comprehensive database on electronic enterprises. In this regard, also applying other sampling techniques is recommended for future works in the case of having access to comprehensive databases on number and diversity of electronic enterprises in Iran. Due to the local nature of this research, where all data were gathered in a particular time limit, it is not possible to deduce cause-effect relation of the parameters. Hence, it is recommended to test relevant business data in various periods. Due to few similar studies, it is recommended to examine the relationship between product strategies with other elements of the marketing mix and other functional strategies in small and medium-sized electronic enterprises.

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