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## MS # 7119.2

Type: Regular

To: Noriaki Matsushima

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Manuscript: "The Existence Of Low-End Firms May Help High-End Firms"

Thank you for submitting your revised manuscript to *Marketing Science*. In addition, we thank you very much for your response letter that provided detailed and useful information.

The review team has completed its work. The Area Editor (AE) report has arrived for your manuscript.

There are a few minor corrections needed (please see the AE report) but, other than that, your manuscript now satisfies the conditions outlined in our last letter conditionally accepting the manuscript.

Hence, we are pleased to formally accept your manuscript for publication in *Marketing Science*. Congratulations on producing a rigorous, well-written and important contribution.

This manuscript represents an excellent and creative contribution to the journal and the discipline of marketing. It should have a substantial impact in the next few years as it is widely read.

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**Ikuo Ishibashi  
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**Marketing strategy, pricing research, product positioning, game theory**

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Again, congratulations. We thank you for publishing your research in *Marketing Science*.

Best Regards,

A handwritten signature in black ink, appearing to read 'Steve', written in a cursive style.

Steven M. Shugan  
Editor-in-Chief  
*Marketing Science*

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**AE Report for “The Existence of Low End Firms may help high end firms”**

The authors should be complimented for having completed an excellent piece of research.

I continue to have a concern about the clarity of the explanation provided for equation 11 on page 18. When the authors say “In short, (11) is satisfied when  $t_L$  is not small enough”, it is not clear exactly how to interpret this. Please reword this paragraph and try to relate it more clearly to Figure 3. Also where should Figure 3 be placed in the manuscript and why is the title of the Figure “The parameter range within which the handover is beneficial”? It is unclear what “handover” relates to.