

OPTIMAL WARRANTY OFFERING STRATEGIES FOR REMANUFACTURED PRODUCT IN A SEGMENTED MARKET

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ABSTRACT

We study and compare two warranty offering strategies for a manufacturer in a segmented market, where consumers are heterogeneous towards remanufactured goods. The manufacturer sells both new and remanufactured products to two segments of consumers, whose valuations for remanufactured goods differ. The manufacturer chooses to offer one of the two warranty policies on the remanufactured goods.

Keywords: warranties, remanufacturing, market segmentation