

Strategic choices of california pizza kitchen marketing essay



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The report will provide insights into pizza industry giants. It will briefly give information background of the company in the introduction part. The discussion part will identify the primary business strategy employed by CPK. It will also provide a critical analysis evaluating that strategy in strength, weaknesses, opportunities, and threats in context form. It will identify four strategies that CPK follow, and integrate them into strengths, weakness, threats, and opportunities in order to give some specific actions the company is taking. The report will discuss on strategic choices conferred by CPK and identify specific sustained competitive advantage of CPK. It will discuss the effectiveness of CPK's' strategy in the light of its internal strengths and weaknesses, and external threats and opportunities.

The conclusion part will briefly summarize the entire report basing on the discussions. The recommendations will include on what CPK should do in order to build its strengths, and show up its weaknesses by altering its strategic choices. The report will comment briefly in view to vision or mission of CPK's strategic analysis.

Introduction

The pizza segment of the fast food industry operates on low profit margins, and in a highly competitive environment. Attorneys Rick Rosenfield and Larry Flax created California Pizza Kitchen in 1985. It a company that operates more than 250 full-service restaurants and more than 200 areas are company-owned. It is located in more than 10 countries and 30 states countrywide. The company's menu is innovative from inception, provision of unique pizzas added with barbecued chicken, duck to shrimp that is grilled,

and Jamaican jerk chicken. It serves a lot of salads, pastas, soups, sandwiches, appetizers, and desserts (Attorneys and Larry, 2010).

Discussion

Strengths fall into cost advantage and differentiation as the main strategy. The four strategies include; cost leadership, differentiation, niche focus, and pre-emptive move (first-mover advantage. CPK uses differentiation as their strategy of differentiating their products quality by use of quality ingredients, design of menu, innovation, expansion of services, and offerings beyond their main experience of dining. Differentiation is a quality strategy that CPK uses in order to compete with their competitors (Algasae, 2011). Their literature base on the idea of menu innovation, service expansion options such as new items, and frozen development, and fresh foods market in grocery stores. However, the environmental economy in the current has played into CPK's strategic choices because of competition. CPK had to maintain revenue, reduce costs and maintain their customers who are turning to substitutes such as fast foods, meals cooked at home in attempt of saving money.

CPK can use sustained competitive advantages especially blue ocean strategy. Blue ocean strategy is the simultaneous pursuit of differentiation and low-cost to create new market space (Kim and Mauborgne, 2009). This will help CPK to make irrelevant competition through creating a new market strategy for both the company and their organizations. Blue Ocean Strategy will help the company to align three essential prepositions that include value, profit, and people's prepositions. Cost leadership strategy provides

much more cost reduction initiatives that leads to prominence is strategic planning. This improves the efficiencies of the company to improve the bottom line, and protect their market from competitors (Algasae, 2011).

Using an RBV framework, a complete internal analysis for CPK provides an evidence for assessing the strength, and weaknesses of the organization. A simple examination of SWOT analysis examines the strength and weakness of internal environment of the organization and strategizes its strengths and weakness against the opportunities, and threats of the external environment. An effective niche strategy creates value through selecting a specialization that is different, and whose differences are sustainable overtime. CPK can pursue a focused niche strategy because it can ultimately get advantage in novelty creation. This is because it focuses on the new idea that can correspond closely to new firm than in vertical or modular industry structure (Iansiti and Levien, 2004). Everything beyond the firm's scope can be integrated from external sources, or a new technology can be incorporated into existing ones as an extension of its capabilities (Iansiti and Levien, 2004).

CPK can change its strategic choices in order to build on its strengths and shore up its weaknesses. The company needs to understand first the future of an organization before making any strategic plan. It requires finding of fault with its ability to formalize strategic planning process that will enable it to deal with the changing pace facing organization in the present environment. Changing pace can place a greater emphasis on developing strategies that can successfully take advantage of changing situations rather than making one strategy design (Liang, Czaplewski et al, 2009).
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Conclusion

California Pizza Kitchen is an industry that operates on low profit margins, and in an environment that is highly competitive. The strategic choices of the company shape how the firm will operate its business, and react towards use of its own resources together with the effects of external factors. The company has incorporated various strategies that have successfully enabled it to run its business thus creating more markets, and customer service.

Recommendations

CPK's mission and vision statement has a solid base that incorporates its strategy of the corporate. However, CPK should be careful to avoid focusing on the current strategy, and forget to measure external force pressures as well as their need to reduce cost that weighs heavily in its business and profits. Therefore, CPK should carefully look at its current strategy to test if it can leverage better its internal strengths, and potential for efficiencies in operation. For CPK to maintain its position in the competitive industry, the company should improve on technology in order to strengthen its operations internally thus maintaining customer service.