Firms making competitive moves

Business

Firms making Competitive moves Firms making Competitive moves This chapter intensively gives a discussion on the firms that make competitive moves addressing the advantages of being a first mover; the disadvantages attached with relevant examples. Alongside that, it addresses the disruptive innovation in which the companies can shape the market into which a new product has been introduced. When the companies are introduced in a new market, having a single store in gaining the brand recognition has been discussed as footholds. A strategy known as Blue Ocean Strategy in which the companies come up with new markets for their products instead of straining to enter in the existing market has as well been detailed in the chapter which is inclusive of three factors that are adequately used in the determination of the likelihood of any firm responding to the competitive move which include; motivation, awareness, and capacity (Hoványi, 2007). Among the advantages of being a first mover, is especially when making the exceptional initial moves in a particular market that allow a specific firm to come up with a dominant position that other businesses strain to overcome. A sufficient example of this is the Kentucky Fried Chicken (KFC) that established a very strong bond with the officials of China in leading the Western Fast Foods, as they were the initial western restaurant that entered China first. Currently, they are still the leading firm in the rapidly growing market. Among the disadvantages, a first mover cannot be so certain about the likelihood of the customers in embracing the offerings that make the initial moves inherently risky.

A time a rival or even a competitor introduces a disruptive innovation that in most cases conflict the existing competitive practices for instance the emergence of online trading where the executives make informed choices from three main responses. First, they might think that the innovation could effectively replace the established offerings therefore choice on focus particularly on the traditional methods of business. Second, a firm could choose to overcome the challenge by attacking different dimension and perspective. Finally, simply a firm may decide to match the competitors' direction of the move.

A Blue Ocean Strategy entails the creation of a new and untapped market instead of competition with rivals in an existing market (Hoványi, 2007). The mentioned strategy carefully follows the recommended approach by Sun-Tzu. In essence, the entire strategy tries to make the competition posed irrelevant. The Bricolage, a concept borrowed from the art that normally stress the move that introduces new markets.

Three main factors determine whether a firm is in a position to respond to the existing competitive move. Such include; awareness, capability and motivation. The mentioned three factors are as well able to determine the extent of competition tension between the rivals. Examination of the three main factors in a firm is very important, as it is very difficult to predict the expected results of the moves and the countermoves, which are very costly.

In conclusion, the entire chapter keenly explains the comparative and competitive moves that a firm's executive may easily choose from especially w3hen they are challenged by their competitors.

References

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