

Blue ocean strategy strategy simulation analysis



**ASSIGN
BUSTER**

Background

The below chart shows the characteristics of Resheps blue ocean product Blue box, highlighted in Yellow. The product was considerably different from the existing products in the market, but due to concerns with the team budget the changes were kept austere to save on the project costs. Only one path (3) was targeted. The price of the product was fixed much higher than the 'Red box' as the product blue box was very superior to it in a number of ways, some of the features that the blue box continued from the red round products were very similar to Shiny station and Purple player levels and hence the price was felt justifiable.

Year 2012

The above charts clearly show that the strategy of our targeting was working given that the preference that we received in the 36+ age group was the highest; this was the group that was primarily targeted by path 3 that we had chosen while launching the product in the market. The concern, based on the feedback received; however were the following:

The Product could have received support from a wider majority had we chosen to add a few more features to the product.

The price of the product might be too high even for the features that had been provided.

Some of the features were below or above the expectations of the market and hence needed adjustment in their levels.

Based on this feedback we decided to change the product specifications in the manner shown below

High

Average

The feature controller sophistication was reduced

Audio sophistication was increased

Rechargeable batteries was reduced

Ability to control gaming habits was increased

And Exer-gaming was introduced

The features were reduced or removed to keep the overall cost of production in control.

The greatest challenge that the blue ocean strategy simulation offered was that the simulation did not provide any intelligence as to what exact level the consumer wanted for a particular feature; it had to be derived from the analysis of the visual exploration brief.

Result 2012

The analysis of our team in the second round was correct but we again found certain discrepancies, such as:

The pricing was still found to be higher than expected for the blue box

the features which were to be reduced were not found to be reduced to the appropriate levels

Also the production plan was found to be lower than the demand

Year 2013

Keeping these in mind we considered our product to be largely successful, so for expanding the market we tried a strategy which was a little different from the one recommended by the feedback messages

Instead of just decreasing prices we decided to increase some features and reduce the prices only a little bit.

This was done to get the maximum possible margin from the market by getting more consumers to buy.

The prices were not reduced much but due to concerns regarding the EBIT

The production level was increased to 1000 units expecting a increase in sales due to enhancement in product features

Result 2013

The product features were accepted by the market but the sales slacked, this may have been due to the following:

The market did not need the feature that we added to the product

New products were introduced by the competitors

Chart below shows the comparative analysis of the competitors and our blue ocean strategy (Next page). Through product features and consumer preferences.

Conclusion

Clearly from the product specifications we can conclude that the Blue box was the most superior product but the consumer showed a very high preference for the product ' blue pack', which due to lower prices of the product. This was also the major feedback.

Based on this on the next round more features were added to attract more consumer and remaining different from the competitor even when as blue pack further reduced prices (as our company was facing profitability problems), we could not lower the prices as we wanted to keep the losses at a minimum.

Learning from Blue ocean strategy simulation

To attract Non-customers it is most important to give them a price discount

The price discount will not be successful, unless the product is radically different from the category, as non-customers are those who have not been satisfied by the category as a whole

To reduce prices it is important to eliminate all the irrelevant features.

To reduce prices it is important to reduce all the unimportant features.

Implementation of blue ocean strategy in Mobile advertising industry

The mobile advertising industry is still very nascent in India, but already there are challenges regarding the bombardment of user with advertising messages. The biggest challenge that the advertisers face is that an average mobile user is receiving so many messages every day that it is difficult to stand out.

Features currently Available

The services that a mobile advertising agency in India provides are the following:

SMS Blast to user database collected on the bases of profession and education

SMS blast to opt-in user data base

MMS blast

Banner ads on mobile Wapsite

Click to call advertisements

Bluetooth based advertising

The biggest share of these is taken only by the SMS blasts collected in the bases of education and occupation databases.

A blue ocean initiative in such a scenario would be:

Description of Introduced feature

Location based kiosks

Bluetooth based advertising has still not been adopted in India as single brands are very cautious of the costs involved in the functions, but a viable model can be for a mobile agency to set up kiosks on location such as malls with large footfalls.

The booth will have a physical presence to attract the people to it

Once the mobile user comes close to the kiosk they can be requested to switch on the Bluetooth to receive attractive discounts and applications

This model can then be sold to the advertisers as a way to start a conversation with their customer

The process

The advantages of this model would be:

The Individual retailer which currently does not use Mobile as a medium for marketing will start doing so, thus creating the blue ocean.

The ads would be the most recent conversation with the consumer

The cost would be low as the advertiser will only pay for the number of applications/discounts disbursed

The clutter/competition will be irrelevant as the consumer will opt in to receive these messages.

The kiosk can also be used as a Out of home media

Assignment 2

Blue ocean strategy for Sports academy

The sports academies that exist today demand extraordinary commitment from their students. At a very young age the students are required to make a high level of commitment towards sports. The concept i am proposing involves the setting up of an academy which has the all the facilities that any academy of international standards provide to its students plus the aides the child in his education also.

This blue ocean will be somewhere between the operations of a typical sports academy and a typical K-12 educational establishment. A similar example would be the Cirque du soleil quoted in the Blue ocean strategy text book. The Cirque du soleil created a blue ocean by incorporating the features of a theatre performance in its circus performance.

The K-12 education sector has to seen tremendous growth in the past decade with the maturity coming in the established players in the market such as Educomp and entrance of traditional Educational establishment such as Manipal and DPS. The K-12 education model comprises of all establishments that have a uniform model across multiple branches and necessarily conduct classes starting from kindergarten to 12th standard.

The establishments operating currently in the K-12 education sector right now are offering the following characteristics in their offerings

Standardised tuitions, based on well defined curriculum

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Digitised classrooms

Transport from and to homes

Science and mathematics labs

Canteen or other food service

Library

Sports infrastructure

Facilities for hobby development

Regular feedback sessions with the parents

Mentor mentee program

Personality development program

Communication skills development programs

Career counselling

Preparation for competitive exams

A sports academy provides the following facilities to its students

Specialised infrastructure for various sports

Professional coaching for all the relevant sports

Mentor mentee program

Guidance on career in sports

Platform and certification to start competing in events

Medical facilities

Residential campuses

Fitness training

This establishment can be called a talent development academy. This is based on the fact that gradually even in India the focus of parents; who are the decision maker in case of K-12 education is shifting towards overall development of the child rather than just getting the educational degree, but they often end up not taking up sports as a career due to the immense risk involved. The academy will reduce this risk by providing its students with educational facilities as well on the campus itself.

This may be achieved by collaborating with some of the operators in the education sector to provide the sports academy students with adequate classroom facilities on or near campus.

The activities of the academy and attached educational establishment will be coordinated to allow students to manage the two adequately

The academy will coordinate with the school in the following manner

The student will be required to qualify the minimum criterion for classroom education

The school will accommodate the requirements of the sports training schedule

Personal database on the performance of each student will be maintained to monitor both academic and sports performance of the student

Academics will be handled only during a stipulated time frame

The classes will be scheduled according to the extra- curricular activity that the group of children has decided to pursue

The focus of the academy will be to develop highly professional sports persons from among its students

The result

Non-users: those students who had talent but could not pursue their interest due to the inability to handle both education and sports will become users.