

# Blue ocean strategy essay sample

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According to Cham Kim and Renee Mauborgne (2004), the Blue Ocean strategy involves the description of how the organization should try and proceed to find some way to work in the marketplace that is not bloodied by the competition and also that is free of competitors. The strategy is against working in conditions such as Red Ocean, where businesses are ferociously fighting each other for some share of the marketplace. In essence, businesses are most often looking for ways that can better contend with their competitors, and that is the Blue Ocean strategy.

According to the book Blue Ocean Strategy, the leading companies succeed not by battling with competitors, but by systematically developing “Blue Oceans” of uncontested market space ripe for the growth. Such a strategy of Blue Oceans the simultaneous pursuit of differentiation and also low cost, including the theory behind it not to outperform the competition in the on-hand industry, but to develop new market space or rather the “Blue Ocean”, in which case it makes the competition irrelevant. (Brooks, 2013) As such, the Blue Ocean strategy illustrates the opportunities of vast and untapped market spaces (Kim & Mauborgne, 2004)

The Blue Ocean strategy is quite important. This is because it allows some business to sell its products with no or little competition from other firms. It is also significant for some new business that does not have enough money for advertising and does not want to sell its products in some market where other industries have already established strong brands.

In addition, the Blue Ocean creates some new market and also it makes competition quite irrelevant. It focuses on non-consumers and they

help in developing some new demand and market share. Companies using this strategy are enjoying the benefits of differentiation and low cost.

The Blue Ocean strategy is quite significant nowadays because it is the fundamental approach to creating new markets and developing some focus on non-customers to create some demand. In essence, the technological stage currently have led to high productivity levels, and also the supply that have exceeded the demand, prices are falling and also the rich countries have decreasing populations. Therefore, the Blue Ocean is quite the best approach. This strategy must be aligned with innovation, cost, price and utility (Kim & Mauborgne, 2004). A Service or Product Considered a Blue Ocean

One of the services that incorporate Blue Ocean is the Threadless strategy. In essence, in the digital landscape, the Blue Ocean contains some significant part to play in providing brands to re-think their proposition and also to reconsider their value to the end user. This assists to provide some platform to engage with customers and re-appraise where the competition is residing currently, and also where the opportunity is to develop some uncontested market place. Threadless is the company that has had to do this in a competitive T-Shirt market.

Threadless did put their customers at the centre of planning and it did prove to be a USP in developing an uncontested market. In essence, key factors the organization competes for the T-shirt market involves the product range, the price point, the product size, digital marketing channels, delivery and also the screen printing. Threadless did create new factors in delivering

some uncontested marketplace. They did create some online community that is at the heart of the organization by interacting with their userbase, in which case it led to the idea of Brand loyalty via introducing crowd-sourcing as the main principle. The principle involved includes the fact that, all T-shirts were made by the Threadless online community, the designer received cash reward and they involved the phrase, “ find products for the customers” (Swan, 2014). An Alternative Red Ocean Move for the Product or Service

Most of the businesses practice some forms of the red ocean strategy, in which case either the businesses goes to over-saturated marketplace or they just defend their position currently. Whenever the sales go down, or when competition enters the frays, the businesses merely fight to regain the sales or stave off the competition. This exercise is quite unhealthy because it is the same as going for customers that might have left long time and they will not be returning, or even fighting for scraps to gain marginal profits.

An alternative red ocean strategy to the service or the product of Threadless will entail competition in the existing market. The company will involve having concern with the competition in the T-shirt market. They will have to focus on the existing customers and work with the existent demand or market share.

Red Ocean contains some pros, and it involves the fact that, it is easier to enter because the firms are defined already and one just copy others. However, it is quite hard to sustain, and also the profits growths are quite thin, and hence the cons. Conclusion

In sum, it is safe to conclude that with all the advancements in technology, more and more companies are now focusing on drifting away from competition. Blue ocean strategy offers a very safe resort to such companies and promises for growth and profits. This is why; blue ocean strategy is becoming an integral part of marketing strategies of many companies.

#### References:

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