

Good case study on an analysis on umuc haircuts

[Business](#), [Customers](#)



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Introduction

Competition is a vital tool that keeps businesses actively innovating, developing and improving their products and services to maintain customers' attention. UMUC Haircuts, like any other business, seeks to stay ahead of its competitors by creating a unique strategy unknown to the rest. Incorporation of technology to ease customer related activities such as payment, return of merchandise, web transactions and constant communication is vital to a business's facing stiff competition. Facing the threat of new entrants in her kind business, Myra desires to keep contact with her customers and provide offers to maintain them. By identifying the appropriate technological improvement, this paper seeks to develop the best strategy for competitive advantage.

The Porter's Five Forces Analyses

The Porter's Five Forces Analysis is a model that relates five competitive forces to help a business person determine a strategy they will develop that will maintain a competitive advantage in the market (Jones 42). It is crucial for Myra to understand how the forces relate and how she can use her knowledge to invest in the relevant ideas that will improve UMUC. The forces are analyzed below:

Rivalry among existing competitors

For 19 years, UMUC has enjoyed little or no alarming competition that needed attention. Myra was at liberty to dictate prices and had a higher bargaining power over her customers. Although minimum competition is favorable and comfortable for the business, growth is slowest. For instance,

since 1995, Myra had never seen the need to improve her communication with her customers using the latest available technology until she got the news of an incoming business offering similar services. Presence of competition, according to the Porter's Five Forces, will push Myra's business to improve her services and create more unique, customer friendly products and services to be competitive and maintain relevance in the market.

Buyer power

The buyers maintain the right to bargain. Every buyer persists on the lowest price possible regardless of the environment or extra services provided alongside the product or service they paid for. The less the competition and hence fewer substitutes and preferences, the lower the bargaining power.

(Jones 42)

Threat of new entrants

A new entrant in the market raises curiosity from buyers as they want to try new products, services or just familiarize with the environment. If the new entrant has a unique offer for the customers, they pose stiff competition to the existing businesses.

Supplier's bargaining power

Suppliers of products needed for UMUC to provide their services adequately and efficiently have the rights to raise their prices as they are also profit making businesses that seek to maximize their profits. The bargaining power is highest with increased demand. UMUC has in the past had a higher bargaining power over its suppliers.

Threat of substitute services

The availability of similar products on the market provides a variety of preferences for customers. It consequently leads them to other places to shop. UMUC customers may, out of curiosity, need to try other trends that are not offered by Myra, but available elsewhere.

Strategy for competitive advantage

The bargaining power of buyers will be lowered as they appreciate the quality of the unique services unmatched by rivals. UMUC will, at least for some time, maintain prices and maximize profits.

The suppliers' bargaining power, on the other hand, may have little or no effect as UMUC will be dictating terms.

With improved technological services, substitute services will be less competitive as young people fancy latest trends in technology.

Business Process

The normal practice of customers going to the business location to check if there is a free seat or space to be served wastes time and inconveniences customers and their schedules. Customer and Supplier's inquiry and transactions can instead be available on the Internet. Both customers and suppliers should be able to access information of interest and communicate through the UMUC website. The website can couple up as a marketing tool too.

The introduction of a website, as a technology tool, will, over a short time, ease communication and save customer and supplier details for the business records. Customers can inquire, book time according to their schedules and pay for the services before they go to receive their services.

Statement of Direction

Strategy for competitive advantage: To-be Process and Technology solution

Process to be improved: customer inquiry of availability of services and supplier transactions methods.

References

Hill, C. W. L., & Jones, G. R. (2010). Strategic management theory: An integrated approach. Boston, MA: Houghton Mifflin.