

# [Good example of generic strategy to position a printing business unit essay](https://assignbuster.com/good-example-of-generic-strategy-to-position-a-printing-business-unit-essay/)

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## Michael Porter introduced generic strategy to help organizations analyze their positions in a competitive business environment.

Competitive Forces analysis
Bargaining power of buyers is another main factor to consider in the business environment. The printing business unit should be positioned where buyers can make purchases for large volumes of goods. This will lead to more profit and will ensure fast growth of the business. Competition from new or existing entrance can make the business grow slowly. A printing business unit is a business with few barriers for entrance. This means that competition is inevitable. Where the entry of competitors is easy, some competitors may opt to lower the price of commodities hence affecting the profitability of the printing business unit. High threat of substitutes makes easy for customers to shift to competitor products. In the printing business unit, cost of switching to substitutes is low. This means such a business must focus on establishing customer loyalty to survive in a competitive market.

## Generic Strategy

The printing business unit should adopt a differentiation strategy. Intense competition requires the business to offer unique products and services that customers will perceive to be better than those of competitors. The value added by this strategy will allow the business to establish a premium price for its offers. In case, the suppliers increase the prices of their offerings the business will be able to increase prices to pass on the costs to customers. This is possible because customers will not be willing to shift to substitute products. The printing business unit should offer a variety of products and services to satisfy different needs and preferences customers. Building customer loyalty and strong relationships should be a priority in this business (Animesh, Siva, and Ritu 164).

## Works Cited

Animesh, Animesh, Siva Viswanathan, and RituAgarwal. " Competing “ creatively” in sponsored search markets: the effect of rank, differentiation strategy, and competition on performance." Information Systems Research 22. 1 (2011): 153-169.