

Business level strategy automobile industry

[Business](#), [Strategy](#)



Business-Level Strategy: Automobile Industry According to the text, business-level strategy is the plan of action that the strategic managers adopt to use a company's resources and distinctive competence to gain a competitive advantage over its rivals in a market or industry. There are three main business-level strategies, namely; costleadershipstrategy, differentiation strategy, and the focus strategy. In this paper, I will be looking at different automakers and the business strategies they use.

According to my research, Ford is said to use cost leadership strategy. When a company is pursuing a cost-leadership strategy, its main goal is to outperform competitors by doing everything they can to produce goods and services at a lower cost than their competitors. The lower costs make the company more profitable than its competitors. Ford struggles to make automobiles that are standardized and acceptable to its customers. They make more efforts to lower their costs so that they are able to sell at a lower cost than its competitors.

In doing so they have also made ere that they maintain their production, overhead cost, and minimizing their cost of sales. BMW is another automobile maker well-known in the world. BMW is considered to use the differential strategy. Differential business-level strategy is used for companies in the business industry to achieve a competitive advantage by creating a product that is perceived by customers to be unique from others. This is done to satisfy customers in a way that its competitors cannot, for example charging a premium price that is above the industry average.

When they charge premium prices helps increase revenues of the differentiators to outperform their competitors and gain above-average profits. According to the text, cars made by BMW command premium prices because customers perceive that the luxury and prestige of owning those vehicles are something worth paying for. Another automaker that uses differential strategy is Toyota. Toyota has differentiated its cars from those of its rivals because of its superior design and quality. This superiority allows Toyota to charge its customers a premium price. By gaffer