

Chapter 5 slides essay



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Case: Blue Nile Inc. in 2010: Will Its Strategy to Remain Number One in Online Diamond Retailing Work? Assignment Questions: 1. How strong are the competitive forces confronting Blue Nile and other online retail jewelers? Which one of the five competitive forces is the strongest? Do a five-forces analysis to support your answer. 2. What key factors will determine a company's success in the online jewelry business in the next 3-5 years? 3. What is Blue Nile's strategy?

Which of the five generic competitive strategies discussed in Chapter 5 most closely fit the competitive approach that Blue Nile is taking? What type of competitive advantage is Blue Nile trying to achieve? 4. What do you like and dislike about Blue Nile's business model? 5. What does a SWOT analysis of Blue Nile reveal about the overall attractiveness of its situation? 6. What is your appraisal of Blue Nile's financial performance based on the data in case Exhibit 5?

How well is the company doing financially? Is there evidence that Blue Nile's strategy is working—what is the story of the numbers in case Exhibit 4? Use the financial ratios in Table 4. 1 of Chapter 4 as a guide in doing the calculations needed to arrive at an analysis-based answer to your assessment of Blue Nile's recent financial performance. 7. Does Blue Nile have adequate competitive strength to go head-to-head against its rivals?

Do a weighted competitive strength assessment using the methodology presented in Table 4. 4 on p. 123 of Chapter 4 to support your answer. Has Blue Nile built a sustainable competitive advantage in the online retail jewelry business? Why or why not? 8. What strategic issues and problems

does Blue Nile management need to address? 9. What recommendations would you make to Blue Nile management to strengthen the company's competitive position and future strategic and financial performance?