

Reflection paper

Business



Market competition is common in any economic situation (Ohmae). In general, the use of game theory is essential in any business competition that is taking place within and outside the market (Brandenburger and Nalebuff). To prove that the use of game theory is essential in any business competition, the nature of competition in the market will be tackled in details followed by identifying all the elements behind a successful business or competitive strategy.

With regards to the nature of competition in the market, Brandenburger and Nalebuff purposely compared the nature of a business operation or market competition similar to that of a game theory. Basically, the nature of business competition within the market is very complex in the sense that the business owner is required to deal not only with the specific needs and wants of their target customers but also pay close attention to the business strategy that each business competitor is using in the market (Brandenburger and Nalebuff). As one of the principles of game theory, business owners should keep in mind the saying that “to every action, there is a reaction” (Brandenburger and Nalebuff 58). It simply means that whatever decision the business owner makes would definitely affect something or someone. Within this context, major business decision could either directly or indirectly affect the customers, suppliers, or their business partners.

To earn profit, the business managers should be able to satisfy the specific needs and wants of their target customers. By doing so, existing customers would stay loyal to the brand. To grab a bigger share in the market, the business owner should apply a more complex business strategy. Aside from examining the product quality, design, and market price offered by other

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similar companies, the business manager should take it as a challenge to develop new ways on how they can create competitive advantage as compared to their close market competitors (Brandenburger and Nalebuff; McGahan; Ohmae).

In general, the elements behind a successful business or competitive strategy is not limited to the creation of a competitive advantage but also the ability of the corporate managers to position the brand in the market, to create a vision which can be used to guide the rest of the employees to work towards a single organizational goal, the need to create and set specific business goals, and the development of business activities that can help create more value to the brand (McGahan; Ohmae). To increase the chances wherein the business managers or the business owners can effectively compete in the market, it is necessary for them to conduct an industry analysis (McGahan). By doing so, the business managers together with the business owners can learn more about how their close competitors are moving in the market.

Business competition is similar to a game in the sense that the business managers and business owners are required to develop and implement certain business strategies that will allow the company to gain competitive advantage as compared to their close competitors. In the absence of a good and well thought business strategy, the business organization can be at risk of losing large sum of money.

*** End ***

References

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