

# Counter competitive threats



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Counter Competitive Threats: Such a strategic move is to counter the competitive threats by reducing the intensity of competition. Organizations are driven at times towards external diversification through merger by competitive pressures. (Strategic Planning: Formulation Of Corporate Strategy 1999) Access to Latest Technology: Organizations have diversified their operations geographically to exploit opportunities in different regions and countries and also to take advantage of the incentives being offered by the various governments to attract investment. (David E.

Project Feasibility Analysis. A guide to profitable New Venture, 1977) Joint Ventures: In joint ventures, two or more companies form a temporary partnership (consortium). Companies opt for joint venture for synergistic advantages to share risk, to diversify and expand, to bring distinctive competences, to manage political and cultural difficulty, to take technological advantage and to explore unexplored market. (Project Management In Engineering Services and Development, 1990) Strategic Alliance: When two or more companies unite to pursue a set agreed upon goals but remain independent it is known as strategic alliance. The firms share the benefits of the alliance and control the performance of assigned tasks. The pooling of resources, investment and risks occur for mutual gain. In 2005 Walmart and Motorola, Inc. entered into a marketing alliance in the field of mobile imaging for a period of 10 years with a provision of gaining royalty. Conclusion Every enterprise seeks growth as its long-term goal to avoid annihilation in a relentless and ruthless competitive environment.

Growth offers ample opportunities to everyone in the organization and is crucial for the survival of the enterprise. This is possible only when

fundamental conditions of expansion have been met. Growth strategies are designed to allow enterprises to maintain their competitive position in rapidly growing national and international markets. Hence to successfully compete, survive and flourish, an enterprise has to pursue an expansion programme. For Walmart, Expansion strategy is an important strategic option, which enterprises follow to fulfill their long-term growth objectives.

They pursue it to gain significant growth as opposed to incremental growth envisaged in stability strategy. Growth strategy is adopted to accelerate the rate of growth of sales, profits and market share faster by entering new markets, acquiring new resources, developing new technologies and creating new managerial capabilities. Marketing research helps in discovering what types of distribution channels and retail outlets are most profitable for the product.

On the basis of comparative information for different channels and different types of outlets the store can choose the combination most suitable for their product. Marketing Research is a tool for decision-making and marketing decisions involve variables which are often external to the firm, dynamic in nature, uncontrollable by the firm and interact with each other in a complex manner. The marketing team is always on the lookout for ways and means to reduce this risk.

One way that the risk can be reduced is through the use of MR which by providing information reduces uncertainty and converts the unknown risk factor into a known calculated risk.

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