

# The competitors in a main strategic group management essay



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**Map of the key strategic group in the supermarket chain industry and analysis of the competitors in a main Strategic Group:**

According to Jeffery S. Harrison and Caron H. St. John (2004), in some industries, competitors' groups exploit the similar resources and implement similar strategies. The clusters of similar competitors are called strategic groups. One way not only to look at the external environment, especially competition but also keep tracks of strategic groups and their behavior over time is with a strategic group map. This map is constructed by plotting industry rivals based on two or more dimensions that are important to strategy in the industry. This map will help organization to identify the particular rivals, recognize the mobility barriers and their competitor performances to picture later the competitors' trends and their future strategies.

At present, Supermarket chain industry usually attempts to supply diversified products at low prices. Therefore, the supermarket chain's strategic group is mapped by two dimensions: the horizontal axis highlights the number of product categories and the vertical axis indicates the price of their products. According to, there are 6 groups formed for this industry:

- The first group includes corporations which have the lowest price (lowest class) because they focus on people who has the low income stage in USA, but this group is the third largest number of product categories, such as Sam's Club, Costco and Cost-U-Less.
- The second group has the lowest product categories. However, the price of this group is a little bit higher than the first one. They are Delhaize, Northern

and Winn Divie. These corporations should innovate their products to compete with other groups so that they can have larger segment markets.

- The third group is formed based on the widest range of products and the low price. This group is the most powerful cluster with the second lowest price, including Wal-mart, Target, Kroger and Metro. These corporations cover all most of segment market in supermarket chain in USA, especial Wal-mart. The strategies of this group is try to supply the huge amount of products at the low price as well as possible. They are the suppliers for all of customers class. Therefore, this group gains the significant market share in supermarket chain, compared with their competitors.

- The fourth group is the middle class in both price and number of products, including Sainsbury's, Tesco, Carrefour, Safeway and Albertson's. The price of this group is higher but the products categories is fewer than third one. This group implements the different strategies to attract customers who are willing to buy goods different at higher price. These corporations also keep value market share.

- The fifth is the highest price cluster but few products, including 7-Eleven and Circle K. This corporation has many stores around their segment market to supply the most convenience to their customers who pay the higher price.

This study will focus on third group which is the main strategic group to analyze the competitors through identifying the key factors that make this group success.

Key success	Weig	Wal-	Wal-mart	Kroger	Kroger	Metro	Metro	Target	T
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factors	ht	mart Rating	Weighted Score	Rating	Weighted Score	Rating	Weighted Score	Rating	V S
Diverse products with high quality	0.3	5.0	1.5	4.8	1.44	4.8	1.44	4.7	1
Low price	0.25	4.6	1.15	4.4	1.1	4.2	1.05	4.3	1
Experienced management	0.2	4.2	0.84	4.0	0.8	3.8	0.76	3.6	0
Online shopping	0.1	3.6	0.36	3.5	0.35	2.8	0.28	3.2	0
Professional employers	0.1	3.0	0.3	2.8	0.28	2.5	0.25	2.5	0
Clean stores	0.05	2.5	0.125	2.5	0.125	2.1	0.105	2.2	0
Total	1.0		4.275		4.095		3.885		3

## REFERENCES

David, F. R. (2001) Strategic Management, Prentice-Hall, Inc., Canada.

Wheelen, T. L. and Hunger, J. D. (2008) Strategic Management and Business policy, Pearson Education, Inc., New Jersey.