

# International business class (discussion board)

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National Competitiveness Porter describes four factors as being responsible for diversity in the national competitiveness. He calls them the “diamond of national advantage”. These are Factor conditions, Demand conditions, Related and supporting industries, Firm strategy, structure and rivalry. Factor conditions refer to the contribution of various resources to the success of an economy. Succeeds does not depend solely on the availability of resources. Looking at demand conditions, consumers determine how sophisticated a product is through the intensity of demand they place on a product. Thus a country achieves a more competitive advantage from manufacturing better products due to high competition.

Related and supporting industries also play a role in determining the competitiveness of an economy. These supporting industry help set the price point by lowering costs of production so that the goods produced are of attractive buying prices hence ensuring survival in the market. Firm strategy, structure and rivalry are the last but not least of the factors. The strategies adopted by a firm help it seek and maximize opportunities. Strategic alliances help a firm to be more competitive and dominate a market sector. Rivalry is what breeds competition and this is very important if the products in the market are to be of great quality.

In response to answer 1 given, this answer falls short of detailing the individual factors and how they affect competitiveness in individual capacities. The answer is very general. It also speaks of technology as the only factor that influences production. This is not a fair assessment since there are more factors that affect competitiveness and production of a firm other than technology. Demand should have been mentioned as part of what constitutes factors that influence national advantage.

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## Reference

Abey, Francis. " National Competitive Advantage Theory of International Trade" International Business, International Finance, 2011. Web.