

# Competitive strategies

Business



## Competitive Strategies

### 1. Core Competencies

Core competencies refer to the combined technical abilities and knowledge of an organization that it to become competitive in the market (Mahnken, 2012). The three core competencies of an organisation are: innovativeness, quality, and effective customer service. These competencies are important because they create more value for customers and enhance improved customer satisfaction, leading to competitive advantage. They can be improved through learning, training and development within the workplace.

### 2. Quantitative Metrics

The three critical quantitative metrics are: productivity metrics, efficiency metrics and sales volume metrics. These metrics are important because they determine the amount of work or resources used to produce the company's products, and the amount of revenue received (Mahnken, 2012). As a result, the company is able to plan effectively for its business activities to achieve competitive advantage in the marketplace. for example, the amount of sales will determine whether the company is selling enough to make profits and remain competitive.

### 3. Disruptive Companies

Apart from Apple, the other three disruptive companies are: DropBox, Narrative Science and SurveyMonkey. These companies are disruptive because they create new markets and disrupt the existing ones through technology (Mahnken, 2012). Dropbox is used to save data of large sizes on the internet; hence disrupting the old storage mechanisms which held small sizes of data in hard disks that can be lost or tampered with. Narrative Science turns data into stories using artificial intelligence, improving learning

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and human productivity. Lastly, SurveyMonkey disrupts existing markets by providing survey questions for everyone to use in decision making and saving the costs of collecting data from traditional respondents.

#### 4. Corporate Goals

To Achieve 95% customer satisfaction rating for Brand X. This goal can be accomplished by training employees on effective customer service, and improving the quality of the products or services using innovative technologies (Mahnken, 2012).

Increase sales revenue by 10% within one year. This goal can be accomplished by using efficient inventory management methods and intensive promotional strategies.

To improve the market share by 1%. This goal can be achieved by expanding to new geographical areas to get closer to customers, and using aggressive promotional strategies (Mahnken, 2012)

#### 5. Companies that have failed?

Nokia – the company had been a leading mobile phone producer, but it has been overtaken by others including Samsung, until it was acquired by Microsoft. In terms of strategy, the company lacked superior value proposition like iPhone's prestigious value proposition by Apple and Android's versatility value proposition by Samsung.

Kodak – The Company maintained its film based photography and failed to use the disruptive digital photography technology which disrupted its film-based model.

Blockbuster – the company has failed to make use of disruptive technology and changing trends and internet security.

#### 6. Differentiation

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### Companies with Differentiated products

Apple – the company produces luxurious and prestigious products with high prices, including iPhones, iPads and mac which target sophisticated consumers.

Dropbox – offering freemium pricing strategy for storage services for businesses and individuals online.

### Corporations that have differentiated their companies

McDonalds – This Company provides franchising strategy and McDonalization which create value for the company's reputation and brand image across the world. Its service delivery, presence in every street, and good dining environment differentiates from other companies.

Whole Foods – they use greener-lifestyle strategy by abolishing plastic bags and using local stores rather than big chains used by most competitors.

## 7. Ways to Reduce Labor and Material Costs

### How to reduce labor costs

Reviewing procedures regularly and using technologies to improve employees' productivity

Training employees from the beginning to make them more efficient (Mahnken, 2012)

Reduce task times and improve efficiency for that short time to improve productivity within short time periods.

### How to reduce Material costs

Reducing the number of times that employees handle materials

Improving inventory management to make the path of material flow to become shorter.

Reducing the amount of damage to the materials (Mahnken, 2012)

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These are similar to a person's own financial situation because a person reduces his costs by working more efficiently by spending less and earning more money.

#### References List

Mahnken, T. G. (2012). *Competitive strategies for the 21st century: Theory, history, and practice*. Stanford, Calif: Stanford University Press.