

Case Studies on
COMPETITIVE STRATEGIES - VOLUME II

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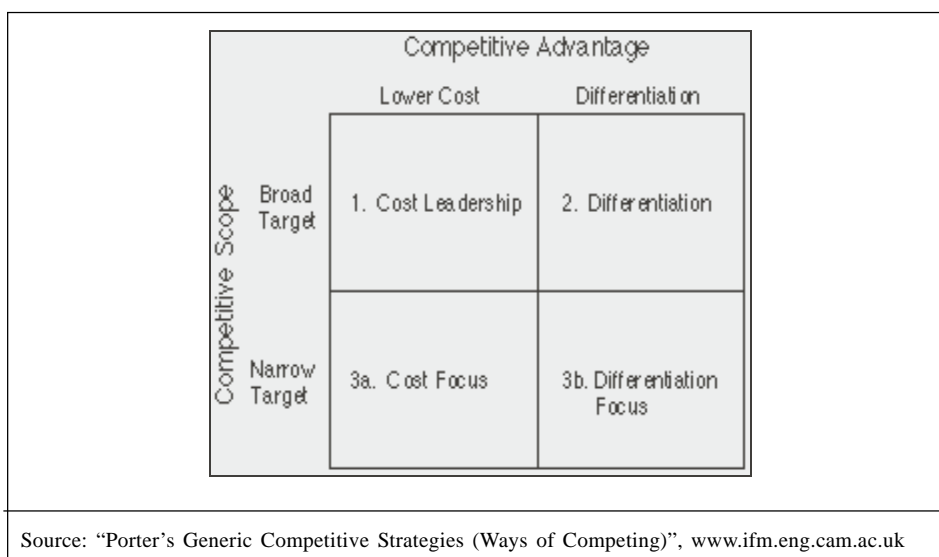
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AN OVERVIEW

The formulation of competitive strategy in any industry involves first the comprehension of the fundamental determinants of competition. Competition is defined as the fight for market share between two or more firms. An understanding of competition helps the strategymakers in evaluating whether the degree of competition in an industry offers scope for good profitability. It promotes sound strategic thinking about how to develop the overall competitive strategy for the company. Competitive strategy refers to the way a firm competes in a particular business and gains competitive advantage by deliberately choosing a distinctive set of activities. According to Michael Porter, a firm can attain two basic types of competitive advantage low cost or differentiation. These, combined with the target audience of a firm, lead to three generic competitive strategies as suggested by Michael Porter — cost leadership, differentiation and focus. Focus can be either cost focus or differentiation focus.



This book contains 16 case studies and each case study helps in understanding the fundamental determinants of competition in their respective industries and the range of analytical issues involved in the formulation of competitive strategy. As the case studies help to unearth the cause and effect of competition depicted in different real-life competitive situations, a prominent theme running through all the case studies is that a firm can formulate the rules of competition if it understands those rules properly.

The book also helps the readers to understand how a firm can attain the position of cost leadership or how it can successfully differentiate itself. The following table lists the cases in the book and relates them to the conceptual framework, giving the core theoretical concept that each case is designed to highlight. The case studies provided in this book are drawn from fifteen different industries ranging from aerospace to pharmaceutical industry. A study of the industries included in this book reflects that the conceptual framework of competitive strategy can be applied to any industry.

Title of the Case Study	Industry
Airbus and Boeing: Divergent Growth Plans	Aircraft Manufacturing
Barbie vs Bratz: Competition In The Tween Girl Market	Toys and games
Carrefour: Competitive Strategies During Challenging Times	Grocery Retail
CIPLA's Generic Competence	Pharmaceutical industry
Competitive Advantages of Japanese Automobile Manufacturers	Auto manufacturing
DHL in USA – The Competitive Strategies	Express Delivery Services
Digital Animation: India's Competitive Advantage	Motion picture production and distribution
Disney Channel's Competitive Strategies	Television cable, pay and broadcast networks
Investment Banking: Lazard's Competitive Strategies	Middle-Market Investment Banking
Medical Tourism: India's Competitive Advantage	Tourism
Meg Whitman's Competitive Strategies for e-Bay	Internet auctions
Progressive Corp: The Auto Insurer's Competitive Strategies	Auto and other vehicle insurance
Southwest Airlines: Generating Competitive Advantage through Human Resources Management	Airlines
The Competitive Strategies of Ryanair	Airlines

While all the cases in this book have been categorised on broad lines, each case is unique in explaining its underlying theoretical concept. The case, *Competitive Advantage of Japanese Automobile manufacturer's* explains how the Japanese Automobile manufacturers, despite being late entrants, gained competitive advantage in the global automobile industry. Their strategy was focusing on low cost and high quality. *Cipla: Generic Competence*, on the other hand, made attempts to gain competitive advantage by addressing the problem of AIDS by coming out with low priced anti-AIDS drugs. This case explains how Cipla adopted low-cost strategy as its core competency and made its drugs available at one-tenth the price of its competitors. The concept of core competency is again explained in the case *Utility Computing: IBM on-demand*, in which IBM pioneers the concept of Utility Computing.

Michael Porter's concept of industry rivalry has been explained through case studies like *Carrefour: Competitive Strategies during Challenging times* and *Progressive Corp: The Auto Insurer's Competitive strategies*. In *Progressive Corp*, the strategy of the company has been to gain competitive advantage by providing tailor-made insurance services. Other cases like *Airbus and Boeing: Divergent Growth Plans* and *Barbie Vs Bratz: Competition in the Tween Girl Market*, also help in explaining industry rivalry.

Differentiation strategies are explained in this book with the help of cases like *Virgin mobile in USA: Differentiating Growth Strategies* and *Disney Channel's Competitive Strategies*. While the former explains the concept of broad differentiation, the latter explains differentiation strategy focused on the Tween segment.