

Generic Business Strategy

Understanding competitive alignment of time, energy and money

<p>Cost Leadership</p> <p>Access to the capital required to make a significant investment in production assets; this investment represents a barrier to entry that many firms may not overcome.</p> <p>Skill in designing products for efficient manufacturing, for example, having a small component count to shorten the assembly process.</p> <p>High level of expertise in manufacturing process engineering. Efficient distribution channels.</p>	<p>Differentiation</p> <p>Specialized service.</p> <p>Premium price for service with price sensitivity connected to value. If price was too high government may start own service to complete.</p> <p>Unique.</p> <p>Cannot be easily copied.</p> <p>Service is highly valued.</p>
<p>Cost Focus</p> <p>Product will be basic - perhaps a similar product to the higher-priced and featured market leader, but acceptable to sufficient consumers. Such products are often called "me-too's".</p>	<p>Differentiation Focus</p> <p>Differentiation focus is niche marketing. Business aims to differentiate within just one or a small number of target market segments.</p> <p>The special customer needs of the segment provide the opportunity for products that are clearly different from competitors who may be targeting a broader group of customers.</p> <p>Is there a valid basis for differentiation - and that existing competitor products are not meeting those needs and wants?</p>