Blue Ocean – demand creation, untapped market space and opportunity for growth. Critical to this concept is the need for new, innovative solutions that are not based on existing market conditions. Companies that can create new demand have the potential to redefine and expand the market, creating both price premium and volume growth.

**Rationale**

Strategic theory has mostly concentrated on competition based red ocean strategies. Blau Ocean Innovation – focus on making the competition irrelevant rather than beating it. Companies can make a profit even if the market is competitive. The key is to identify untapped market spaces and create new demand.

**Strategic Analysis**

Environmental analysis is important for developing a sustainable competitive advantage, identifying opportunities and threats and providing opportunities for productive corporation with other companies. Some critics believe that such strategies are not sustainable over the long term. It is important to consider the competitive landscape and how the company can differentiate itself from its competitors.

**Value Creation**

Identify the environment in which a company operates and how it can create value for its customers. This includes understanding customer needs, market trends, and competitive positioning.

**Deliverables**

- Actual ‘things’ (physical or non-physical) that move from one role to another.
- Value innovation (creating new demand)
- Value capture (exploiting new demand)
- Market creation (creating new markets)
- Market penetration (growing in existing markets)
- Market development (expanding into new markets)

**Conclusion**

Blue Ocean strategies are about creating new demand, not competing on existing parameters. Companies that can do this have the potential to redefine and expand the market, creating both price premium and volume growth.

---

**Notesale.co.uk**

**Preview from Notesale.co.uk**

**Page 1 of 1**