

## **OFFENSIVE AND DEFENSIVE STRATEGIES**

Companies come up with various approaches in their attempt to survive in markets. Some adopt offensive strategy whereas others a defensive strategy. An offensive strategy is one that actively tries to pursue and bring about changes. These are companies that are flexible and easily implement new improvement ideas. Generally, they heavily invest in Research and Development as this helps them to stay ahead of competitors. An offensive strategy aims to:

- increase sales
- gain advantage by destabilizing current leader
- acquire a market share.

A defensive strategy protects a business from threat of competitors. Through management, various mechanisms are put in place to fight competition. It helps protect the market share which has a direct relationship with profits and customer confidence and happiness. It succeeds in when a business fully understands the market it is operating in. Its objectives include:

- maintaining the existing market share and maximizing profits
- maintaining the top position in the market
- protecting the current levels of competitive advantage.

Offensive strategy faces competition head-on since the main goal is to ultimately overcome it and capture the market share. On the contrary, defensive strategies hold onto the current market share and use competitive advantage to win the competition.