COMPETITIVE STRATEGY

Authors
Sammut-Bonnici T., McGee J.

Reference this article

Abstract / Definition
Competitive strategy is the process of developing competitive advantage and earning above average returns for stakeholders. Competitive advantage is achieved through the strategic management of resources, capabilities and core competences, as well as the firm’s responsiveness to opportunities and threats in the external environment. Navigating through a complex set of strategic factors requires an understanding of their influence on competitive strategy, which is discussed in the next section. The competitive strategy view of the firm is that understanding and manipulating the factors that cause these inequalities, to give the firm a sustainable competitive advantage, largely govern long-term business success. These factors vary widely. Different businesses, even within the same industry, often need to be doing different things. Thus, there are many strategies open to firms. In formulating competitive strategy, there are some important things to remember. Resources are limited and opportunities are infinite. The essence of strategy is choosing to perform activities differently than rivals. In the long run, what matters is not how fast you are running, but whether you are running faster than your competitors. A company can only outperform rivals if it can establish a difference that it can sustain.

Keywords
Competitive strategy, competitive advantage, resources, dynamic capabilities, core competences

Link to publication