



# Entrepreneurship

## Lecture 12

### Marketing Strategy [Blue Ocean Strategy]

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# Competition in Business

## “RIVALRY”

- Same product
- Same target market





# COMPETITIVE ENVIRONMENT

Government regulation, scarcity of  
resources, and competition

(Kuratko, 2017)



# BUSINESS STRATEGY

“The Plan” to make a decision and  
how a company reach its goals



# DIFFERENTIATION STRATEGY

“Valuable thing” to the customer

# Differentiation Strategy

- It requires a new mindset to understand the change of the market
- Customer-made approach
- A unique value proposition:
  - Quality
  - Service
  - Price
  - Feature

(Kuratko, 2017)

# The Benefits of Differentiation Strategy

- ✓ Improve the customer satisfaction
- ✓ Increase the customer loyalty
- ✓ Good brand image

(Kuratko, 2017)



# MARKETING STRATEGY

4Ps:

Price, Product, Promotion, and People

# Blue Ocean Strategy

- Differentiation
- Low-cost
- Open up a new market
- Create new demand

(Chan et al., 2005)



# BLUE OCEAN STRATEGY

## “IRRELEVANT COMPETITION”

(Chan et al., 2005)

# ESSENTIAL ELEMENTS

“RED OCEANS & BLUE OCEANS”



# RED OCEANS

“CURRENT INDUSTRY  
&  
MARKET”

(Chan et al., 2005)

# RED OCEANS

- Compete one to another; highly competitive ('bloody' competition)
- In general there are certain of key players that win the market share
- Profits and growth are reduced

(Chan et al., 2005)



# BLUE OCEANS

“NEW INDUSTRY  
&  
UNKNOWN MARKET”

(Chan et al., 2005)



## BLUE OCEAN STRATEGY

“Observe more than 150 blue ocean creations, over 30 industries, using data stretching back more than 100 years”

(Chan et al., 2005)

# BLUE OCEANS

- Competition is irrelevant
- Unexplored the market space
- Profitable growth

(Chan et al., 2005)

## RED OCEAN STRATEGY

## BLUE OCEAN STRATEGY

Compete in <b>existing</b> market space	Create <b>uncontested</b> market space
<b>Beat</b> the competition	Make the competition <b>irrelevant</b>
Exploit <b>existing</b> demand	Create and capture <b>new</b> demand
<b>Make</b> the value-cost trade-off	<b>Break</b> the value-cost trade-off
Align the whole system of a firm's activities with its <b>strategic choice of differentiation or low cost</b>	Align the whole system of a firm's activities in <b>pursuit of differentiation and low cost</b>

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Source: Chan et al., 2023



# BLUE OCEAN STRATEGY

“Blue oceans are not about technology innovation.”

(Chan et al., 2005)



# BLUE OCEAN STRATEGY

“Value innovation”

(Chan et al., 2005)

# The creation of BLUE OCEANS

- Cost structure; eliminate and reduce the elements of industry that compete
- Value proposition; creating a new element of the industry that has never offered to customer

(Chan et al., 2005)



# BLUE OCEAN STRATEGY

*“reconstructionist view”*

(Chan et al., 2005)

# Blue Ocean Strategy - Case Study

## Cirque du Soleil – circus

- New group market: Adults and Corporate Clients
- Replace the animal usage
- Theater performance – “Theme & story line”

(Chan et al., 2005)

# Reference

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3. Chan, K. W., & Mauborgne, R. A. 2023. What is Blue Ocean Strategy? [Online image] Accessed at <https://www.blueoceanstrategy.com/what-is-blue-ocean-strategy/#:~:text=BLUE%20OCEAN%20STRATEGY%20is%20the,t,hereby%20making%20the%20competition%20irrelevant>



thank you

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