

DRS Pro Transfer

Market & Competition

Aims for this section

Intro into business topics: competition and markets

After thinking about particular customers and business models for the day...

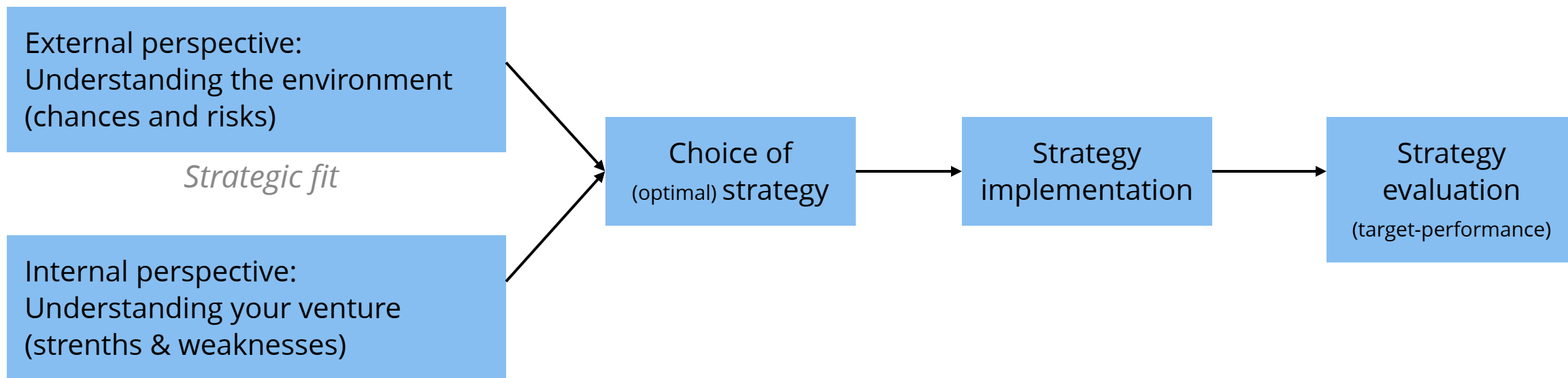


... let's deepen our understanding on "the market" and whom you "compete" with

**DIGITAL
ENTREPRENEURSHIP
HUB**

What is (corporate) strategy?

Pillars of strategic planning




Steinmann/Schreyögg 2000 (modified)

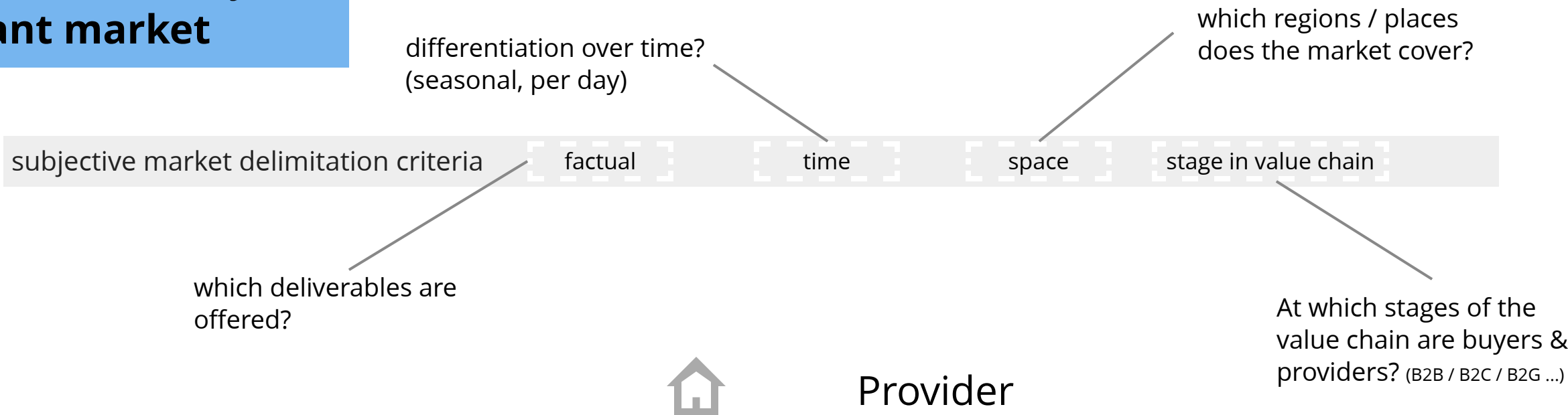
External Perspective: Market

What is a relevant market (from a customer perspective)?

If you want to assess:
 market size & growth or
 market share
 you need to know your
relevant market

 **Buyers / Customers**
 (assess the subjective willingness to substitute)

relevant market



Freiling, J.; Reckenfelderbäumer, M. (2010): Markt und Unternehmung, 3. Aufl., Springer-Gabler-Verlag, Wiesbaden, S. 95).

External Perspective: Market

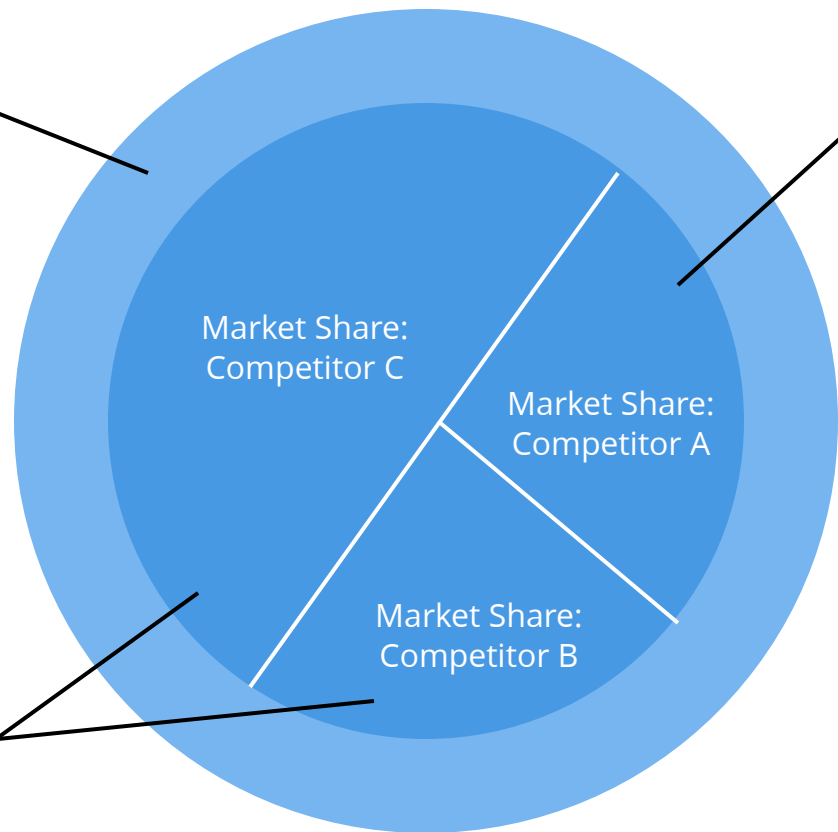
What is a relevant market (from a customer perspective)?

Market potential:

Maximum achievable revenue
(if all potential customers fulfill their needs)

Revenue of a company in a period:

(by amount or "exchange value")



$$\sum(\text{marketShare}_x)$$

relative marketshare

M. Kleinaltenkamp (2013): Marketing Einführung, 6. Aufl., Springer-Gabler Verlag, Wiesbaden.

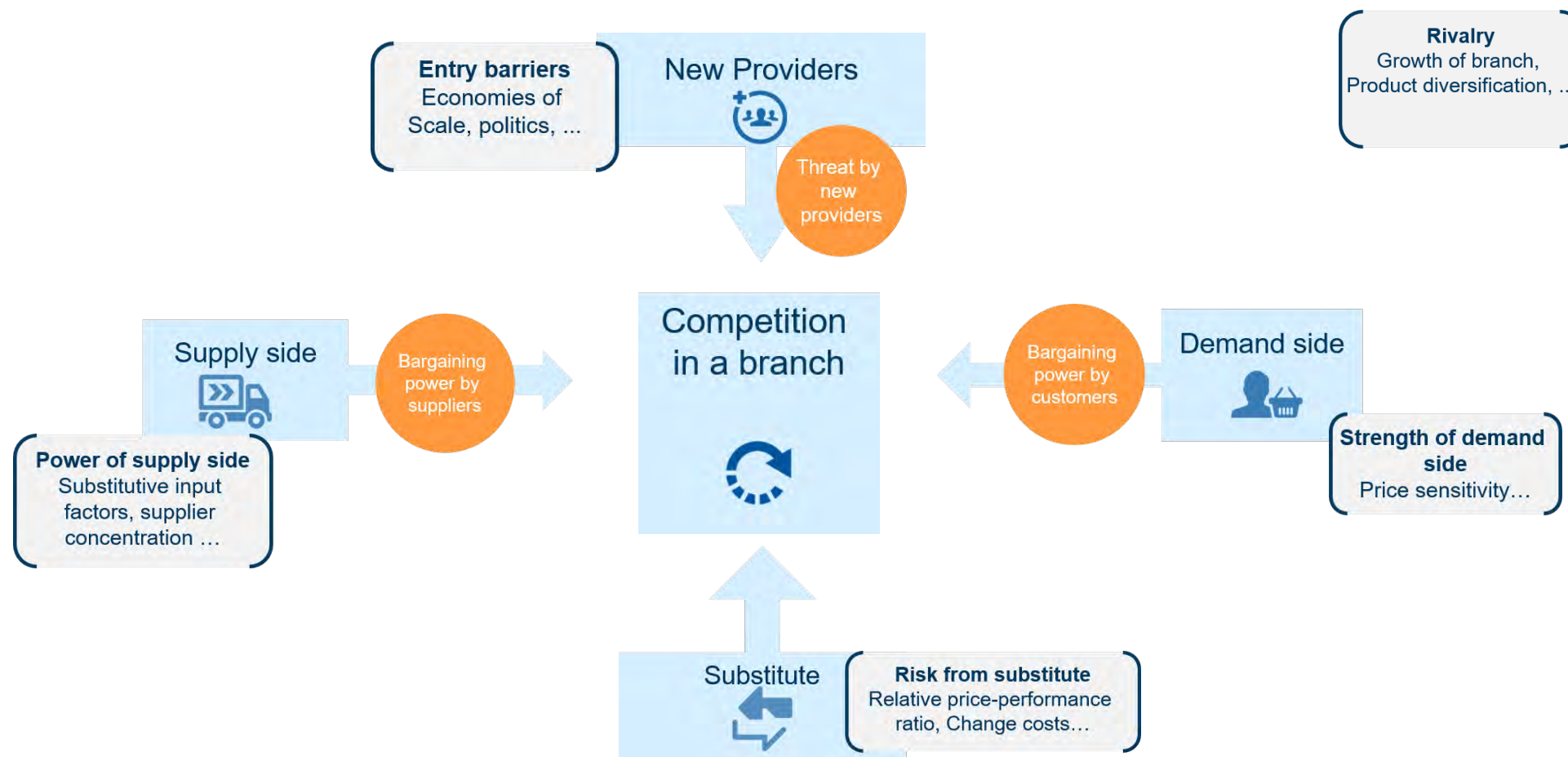
External Perspective: Market

What is a relevant market (from a customer perspective)?

		Demand		
Supply		C2C: Consumer-to-Consumer (Shpock, Ebay)	C2B: Consumer-to-Business (Job marketplace)	C2A: Consumer-to-Administration (tax handling)
		B2C: Business-to-Consumer (Web shop)	B2B: Business-to-Business (selling machine parts)	B2A: Business-to-Administration (Supplier for public services)
		A2C: Administration-to-Consumer (Governance Services)	A2B: Administration-to-Business (Grants and subsidies)	A2A: Administration-to-Administration (Transaction between ministries)

External perspective: Competition

Five Forces (a market-oriented view on companies)



Porter, M. E. (1980) Competitive Strategy: Techniques for analyzing industries and competitors : with a new introduction/Michael E. Porter; New York: Free Press

External perspective: Competition

Five Forces (example)

Let's do a market & competition analysis:



Porter, M. E. (1980) Competitive Strategy: Techniques for analyzing industries and competitors : with a new introduction/Michael E. Porter; New York: Free Press

Internal perspective: Core

a resource-based perspective of the company

Competences

Final product
(video / photo camera)



Core product
(optical precision
device / lenses)



Core competence
(optical and image
processing, fine
mechanics)



Image: [ArtistvanChew \(2009\) | Flickr \(cc by\)](#)

Presentation by [Prof. Dr. Hannes Rothe \(@cpt_ftr\)](#)

Internal perspective: Core

a resource-based perspective of the company (close relationship to USP)

Competences



What may be Apple's core competences?



Valuable

exploit an opportunity or tackle a threat with a resource

Rare

resource is controlled by a few actors

Inimitable

obtaining / duplicating the resource has severe cost disadvantages or is not possible

Organization

the firm's organization is ready to exploit the resource

(sometimes **Non-substitutable**)

Ref. Barney, J. B. (2001). Is the resource-based "view" a useful perspective for strategic management research? Yes. *Academy of management review*, 26(1), 41-56.

Image: [Google Finance](#), [ArtistvanChew \(2009\) | Flickr \(cc by\)](#)

Internal perspective: Core

Example: Nespresso Competences

FINANCIAL TIMES
ft.com > companies > retail&consumer >

Food & Beverage

Home UK World Companies Markets Global Economy Lex Comment
Energy Financials Health Industrials Luxury 360 Media Retail & Consumer Tech

April 24, 2013 7:35 pm

Dualit wins battle over Nespresso patent

By Louise Lucas in London



A small British manufacturer has struck at the heart of the \$10bn coffee capsule market after a UK court ruled that its pods do not infringe patents on the world's largest food company's Nespresso machines.

In a classic David versus Goliath case, the High Court of Justice ruled in favour of Dualit, which sells capsules that fit [Nestlé's](#) Nespresso machines and typically cost about 12 per cent less than Nespresso's own brand.

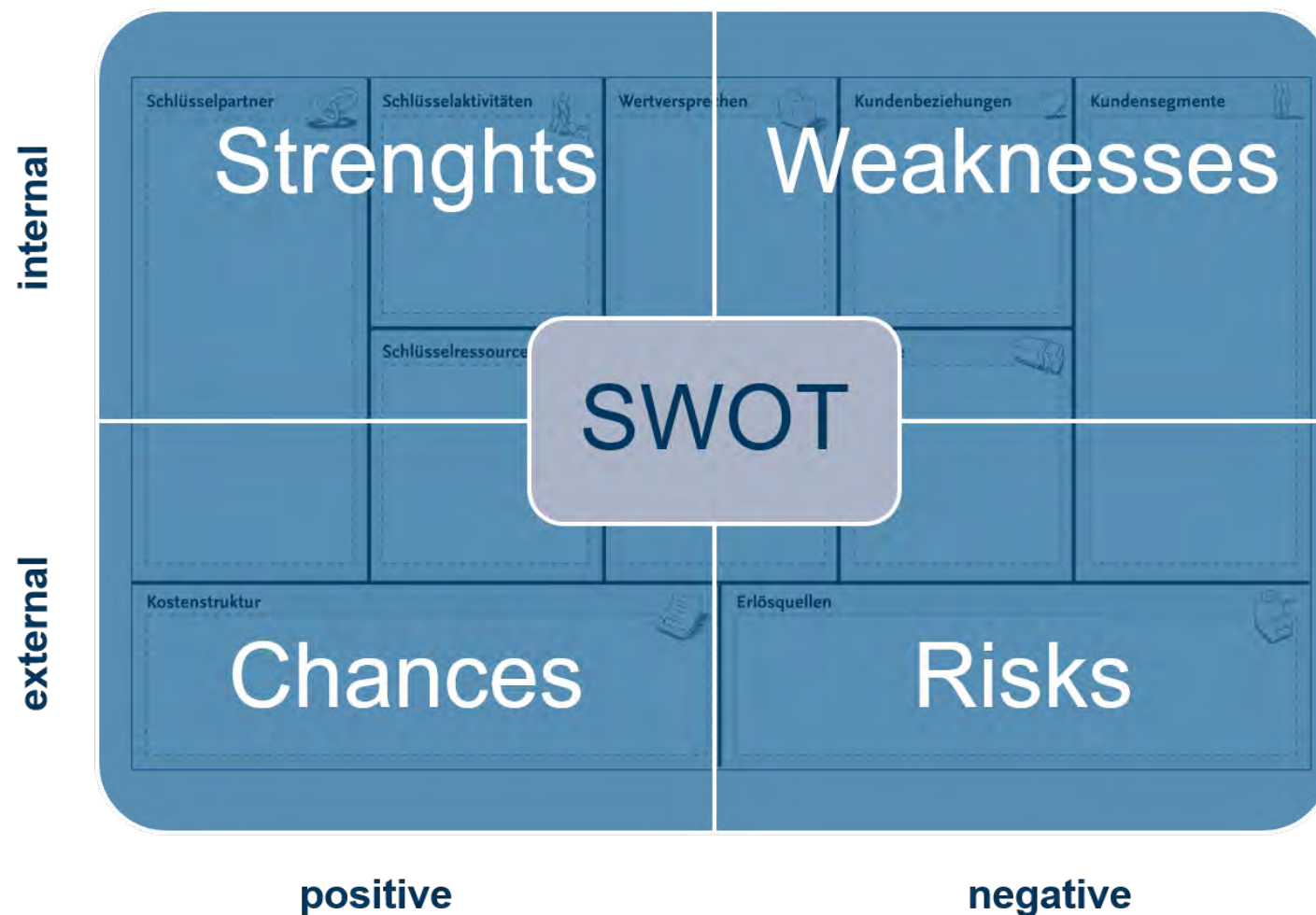


Tripsas, M., & Gavetti, G. 2000. Capabilities, Cognition, and Inertia: Evidence from Digital Imaging. Strategic Management Journal, 21(10/11): 1147-1161;
www.ft.com/cms/s/0/fab6a180-aceb-11e2-b27f-00144feabdc0.html#axzz2UsYa61oC

Presentation by [Prof. Dr. Hannes Rothe \(@cpt_ftr\)](#)

SWOT Analysis

Finding strategic fit



Before we leave for the sunset....



...let me just say this:
Thank you!