



## 8008 – COMPETITIVE ANALYSIS

COURSE SCHEDULE A.Y. 2008-2009

### Class 22

Teachers: Michael Gibbert & Nicolas Kfuri

#### Course Schedule

Mondays 12:30 – 14:00 Aula N32  
Tuesdays 14:30 – 16:00 Aula N32

#### Course Objectives and Structure

This course focuses on competitive analysis, examining issues central to a firm's long- and short-term competitive position. The course assumes that students are already familiar with concepts such as competitive advantage, competitive strategy, as well as idiosyncratic resources or competitive positions as explanations thereof.

The notion of “competitive” advantage is a relative one. That is, there is no (need to have an) absolute advantage. Instead, it is an advantage relative to the competition. As such, analyzing competitors' positions becomes key to the survival of the firm. The approach in this course therefore is to build on key frameworks of competitive advantage to (a) analyze competitors' positions, and (b) based on this analysis, seek a position that is superior to that of the competition.

The first module starts with an analysis of the competitive environment. The competitive environment puts contingencies on the actions of competitors and as such illustrates what the competition (as well as ourselves) *should* do. A logical flip side of this is what the competition can do, given its resources and capabilities. The analysis of competitors' resource positions is the focus of the second module. The third module discusses how to react to or anticipate specific strategies (e.g. how to compete in a market that is cost-driven, or how to gain and sustain in markets that are differentiation driven and have short product life cycles). The fourth and fifth module look into horizontal and vertical issues, respectively. Analyzing business ecosystems as well as a special feature taught by Professor Kfuri concludes the course.

#### Prescribed Text & Other Material

##### *Attending Students*

- Barney, J., & Hesterley, W.S. (2007). *Strategic Management and Competitive Advantage: Text and Cases*. (2<sup>nd</sup> Ed.). Available in EGEA Bookshop
- Articles from Harvard *Business Review*, *MIT Sloan Management Review*, etc. are available from the Business Source Complete Database (Library Website, Electronic Resources, databases, alphabetical list, Business Source Complete).
- Articles for group presentations (see below) also available from Business Source Complete.
- Cases are distributed in class.

##### *Non attending students*

- BARNEY, J., & HESTERLEY, W.S. *Strategic Management and ompetitive Advantage: Text and Cases*. (2nd Ed.) 2007.

- Articles from *Harvard Business Review*, MIT Sloan Management Review, etc. are available from the Business Source Complete Database (Library Website, Electronic Resources, databases, alphabetical list, Business Source Complete).
- M. LEIBOLD, G. PROBST, M. GIBBERT, *Strategic Management in the Knowledge Economy* (2nd edition). Weinheim and New York: John Wiley and Sons, 2005.

### **Pedagogy**

To achieve the objectives of the course the following pedagogical tools will be utilized:

- *Special learning events*: to complement the reader, three kinds of events are used, as relevant – company presentations, real-world case studies, and marketing re-thought: thought-provoking statements and articles from leading international journals.
- *Group presentations*: at the beginning of each session, a small group of students will give a short presentation, see below for details.
- Facilitation-cum-discussion sessions on the assigned reading materials from texts, supplementary readings and current event readings.
- Class discussions and interactions (i.e. knowledgeable participation) are a formal part of the student performance evaluation scheme.

### **Student Performance Evaluation**

#### **Written exams**

- Final exam (obligatory for attending students): max. 30 points
- Final grade: weighted average of final exam (3/4) and group presentation (1/4); max 30 points
- Retake/general exam: max. 30 points

#### **Useful Pointers and Reminders**

- NB
- *Attending students* are those who take the final exam, and take part in a group presentation.
- *Non-attending* students take the general exam, and do not take part in a group presentation. To compensate for the group presentation, non-attending students take an oral exam.
- If - as an attending student - you decide to take the general, rather than the final exam, you automatically classify as a non-attending student, and may lose your group presentation results.
- The minimum pass rate is 16 points.

#### **Group Presentations**

- At the beginning of each session, a small group identifies an article that has a good thematic fit with the article discussed in that session.
- The task for the group is to
  1. Give a brief, analytic overview of the article: *What are the three most important pointers discussed in that article?* (3 slides).
  2. Outline the relevance of the article for the session: *Why was this article chosen, and in how far does it complement the prescribed reading?* (1 slide)
  3. Illustrate the key message of the article by reference to a *new company/product* you may be familiar with (1 slide).
- Groups are evaluated by the following criteria:
  1. How well is the main content summarized in the three pointers?
  2. How tight is the fit of the article with the session?
  3. How well is the tool/framework of the article applied to the new case?
  4. How professional is the presenter/the presenters?

## TENTATIVE SCHEDULE

### ***I. THE ESSENCE OF COMPETITIVE ANALYSIS? MARKET ENTRY & ENTRY BARRIERS***

<b>Session 1 Sept. 15</b>	<b><i>Course Introduction</i></b>
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Readings:	BH Ch. 1, short case (handed out in class)
Preparation:	Review the main concepts behind competitive advantage. In doing so, try switching perspectives: consider the world through your competitor's eyes. Then compare perspectives. Where are areas that you can exploit to gain an advantage over your competitor?

<b>Session 2 Sept. 16</b>	<b><i>Competitive Advantage &amp; the External Environment</i></b>
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Readings:	BH Ch. 2
Preparation:	Consider the two levels of environmental analysis. Reconsider Porter's five forces in the light of competitive analysis, rather than as a tool for gaining competitive advantage: to what extent are individual forces good or bad for your competition (or for yourself). Think of examples to illustrate.

<b>Session 3 Sept. 22</b>	<b><i>Entering Markets with Strong Incumbents</i></b>
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Readings:	Bryce, D., & Dyer, J. (2007). Strategies to crack well-guarded markets. <i>Harvard Business Review</i> , May issue.
Preparation:	Discuss the "best" entry strategy into markets with strong incumbents. How resolve the paradox of overcoming entry barriers, while erecting new ones. Can you think of additional examples?

<b>Session 4 Sept. 23</b>	<b><i>Entering the Printer Business</i></b>
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Readings:	<i>Case: Printer Wars: Dell and The Printer Business</i>
Preparation:	Should Dell enter the printer business? Why, why not? Recommend an entry strategy for Dell (product lines, which customers, which distribution strategy, based on what technology/capabilities, etc.). How should HP react to an entry by Dell?

### ***II. CORE BUSINESS ANALYSIS: UNDERSTANDING AND ATTACKING RIVAL'S CAPABILITY POSITIONS***

<b>Session 5 Sept. 29</b>	<b><i>Identifying, Leveraging, &amp; Protecting Critical Resources</i></b>
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Readings:	BH Ch. 3
Preparation:	Discuss how a firm can identify, leverage, and protect critical resources. What are the key mechanisms for protection? Conversely, how do you analyze your competitor's resource portfolio (identification), how to learn from competition about re-using critical assets (leveraging), or how to block competition from doing so.

<b>Session 6 Sept. 30</b>	<b><i>(Sustainable) Core Business Identification</i></b>
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Readings:	Zook, C. (2007). Finding your next core business. <i>Harvard Business Review</i> , April issue.
Preparation:	Discuss what the downside of leveraging core competencies might be. How can this downside be overcome? Do you agree with the author's recommendations?

<b>Session 7</b> <b>Oct. 6</b>	<b><i>Design-driven innovation: Bang &amp; Olufsen</i></b>
Readings:	<i>Case Bang and Olufsen</i>
Preparation:	What are B&O critical resources that are at the root of the company's competitive advantage? (How) should B&O configure its value chain to increase effectiveness? Can B&O sustain its niche position? Pay particular attention to R&D, distribution, design, and manufacturing.

### **III. SPECIFIC POSITIONING & DIFFERENTIATION STRATEGIES**

<b>Session 8</b> <b>Oct. 7</b>	<b><i>Cost &amp; Differentiation Leadership</i></b>
Readings:	BH Ch. 4 & 5
Preparation:	Speed-read the two chapters. Consider on what bases to attack incumbents in cost or differentiation-driven industries. Discuss the different competence portfolios needed to do either.

<b>Session 9</b> <b>Oct. 13</b>	<b><i>Feature Fatigue: The Downside of Differentiation?</i></b>
Readings:	Thompson, D.V., Hamilton, R.W., & Rust, R.T. (2005). Feature fatigue: when product capabilities become too much of a good thing. <i>Journal of Marketing Research</i> , 44, 431-442
Preparation:	Understand the concept of feature fatigue. Discuss how it affects consumer choice, and what can be done about it. Can you think of other examples of feature fatigue?

<b>Session 10</b> <b>Oct. 14</b>	<b><i>Case: iPod vs. Cell Phone (2007)</i></b>
Readings:	iPod vs. Cell Phone: A mobile music revolution? (2007) HBR Case No. 9-707-419
Preparation:	Critically analyze Apple's position in the portable music industry. Do this from the perspective of both Apple and its main competitors (e.g. how can Apple sustain its leadership position, and, conversely, how would you attack Apple?).

### **IV. VERTICAL PARTNERS: FRIEND OR FOE?**

<b>Session 11</b> <b>Oct. 20</b>	<b><i>Vertical Integration</i></b>
Readings:	BH Ch. 6
Preparation:	What are the upsides and downsides of vertical integration? Consider competencies and capabilities as a new basis for deciding which value chain activities to enter or outsource.

<b>Session 12</b> <b>Oct. 21</b>	<b><i>Complementors</i></b>
Readings:	Yoffie, D.B., & Kwack, M. (2006). With friends like these. <i>Harvard Business Review</i> , September issue.
Preparation:	Consider the notion of complementors and how it is different from competitors. Under what conditions can complementors become competitors and vice versa? How to conduct a "complementor analysis"?

<b>Session 13</b> <b>Oct. 27</b>	<b><i>Nutrasweet vs. Coke</i></b>
Readings:	Case: Nutrasweet
Preparation:	Recommend a market-entry strategy for the Holland Sweetener Company (cost, differentiation, what customers, distribution system, etc.). What are the main market-entry barriers? How sustainable is Nutrasweet's position? What should Coke and/or Pepsi do?

**V. BROADENING THE HORIZON: HORIZONTAL ANALYSIS**

**Session 14      *Corporate Diversification***  
**Oct. 28**

Readings:      BH Ch. 7  
 Preparation:    Consider different types of corporate diversification and what they might mean for the competitive dynamics in the established (and adjacent) industries.

**Session 15      *Non-Intuitive Competitors***  
**Nov. 10**

Readings:      Christensen et al. (2007). Finding the right job for your product. *MIT Sloan Management Review*, Spring, issue.  
 Preparation:    In how far does the idea of “finding the right job” for one’s product change existing marketing philosophies (think about diversification, 4ps, market segmentation, target marketing, positioning, pricing, advertising, etc.). How can you identify the most lucrative job for a given product (and how can you keep your competitor from changing the “job description for his product)?

**Session 16      *Case: Internet TV (2007)***  
**Nov. 11**

Readings:      Case: Brightcove and the future of internet television HBR Case No. 9-707-457  
 Preparation:    How do you evaluate Brightcove’s making strategic investments in the categories, technology, media distribution infrastructure, international expansion, and acquisitions? What is YouTube’s position in these areas? What are other relevant competitors in that market space? How sustainable is their position?

**VI. Alliances, Mergers & Acquisitions, and Coopetition (Dr. Nicolas Kfuri)**

**Session 17      *Strategic Alliances and Mergers & Acquisitions***  
**Nov. 13**  
**(8:45- 10:15)**  
**Room N38**

Readings:      BH Ch. 9 & 10  
 Preparation:    Speed-read the chapters, focusing on the main commonalities and differences between strategic alliances and mergers/acquisitions as tools for leveraging internal assets.

**Session 18      *Competition + Collaboration: Coopetition***  
**Nov. 14**  
**(8:45-10:15)**  
**Room E**

Readings:      1) Business Strategy: Getting Beyond Competition. An Interview with Adam Brandenburger. *Harvard Management Update #U9612B*.  
                      2) Gary Hamel, Yves Doz, C.K. Prahalad. Collaborate with your Competitors and Win. *Harvard Business Review*, January-February 1989.  
 Preparation:    Analyze the frameworks proposed by the authors (The Value Net) and compare it with the traditional Five Forces Analysis of Michael Porter.

**Session 19      *Case: Cola Wars Continue: Coke and Pepsi in the Twenty-First Century***  
**Nov. 14**  
**(10:30-12:00)**  
**Room E**

Readings:      Cola Wars Continue: Coke and Pepsi in the Twenty-First Century. Harvard Business School Case #9-702-442  
 Preparation:    Describe the competitive interaction between the two firms. Analyze the role of every player of the industry. Identify the main source of profits in the industry.

## VII. Non-traditional approaches to Competitive Analysis (Dr. Nicolas Kfuri)

**Session 20**    **Making Competitors Irrelevant: Value Innovation**  
Nov. 20  
(8:45-10:15)  
Room N38

Readings: Jones, R. & Tollin, K. (2008). Marketing's role for firms' renewal and innovation capability in Tollin K. and Caru A., (eds). Strategic Market Creation, Wiley, 2008

Preparation: How could you integrate the reading's view and Porter's industry analysis approach?

**Session 21**    **Make Competitors Irrelevant: Blue Ocean Strategy**  
Nov. 21  
(8:45-10:15)  
Room E

Readings: Chan Kim, Renée Mauborgne. Blue Ocean Strategy. Harvard Business Review #R0410D

Preparation: Analyze the difference between Red and Blue Ocean strategies. How this view contrasts with the Cost vs. Differentiation approach. Highlight the main differences between the Blue Ocean strategy concept and the one of the Game Theory.

**Session 22**    **Case: Hong-Kong Economic Times Group.**  
Nov. 21  
(10:30-12:00)  
Room E

Readings: Yuen Yin Chan, Ali Farhoomand. Hong-Kong Economic Time Group: Diversification and Differentiation. *Asia Case Research Centre. The University of Hong-Kong.* Case #HKU735.

Preparation: Analyze the case using the Blue Ocean strategy approach. Identify the external factors affecting the newspaper industry in the last twenty years. How have diversification and differentiation strategies sustained the growth for the HKET Group?

## VIII. COURSE CONCLUSION

**Session 23**    **Reconsidering the Product Life Cycle Model**  
Dec. 9

Readings: Moon, Y. (2005). Break free from the product life-cycle. *Harvard Business Review*.

Preparation: The Product Life Cycle Model has dominated the strategic marketing agenda for decades. What's suddenly wrong about it? Discuss the three main strategies proposed by the authors & think of other examples for each.

**Session 24**    **Making Markets**  
Dec. 15

Readings: Golfetto F, Rinallo D. (2008). Reshaping Markets through Collective Marketing Strategies: Lessons from the Textile Industry, in Tollin K. and Caru A. (eds.) Strategic Market Creation, Wiley.

Preparation: Consider how a competence-based view can be used to assess the value creation potential of outsourcing providers. Given that competencies are said to be difficult to identify, let alone transfer, how then can they become the basis of an outsourcing agreement?

### Office hours

Office hours are available at (<http://www.uni-bocconi.it> > [Didattica](#) > [Orari Aule Calendari](#) > [Orario di Ricevimento Docenti](#)).

Office hours could vary: please check on the website.

### Segreteria Marketing

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