

5.9: REVIEW - Competitive Advantage (Graphic)

Notes:

Recall the explanation of a competitive advantage from Section 8.6 of your textbook:

A firm is described as having a **competitive advantage** when it successfully attracts more customers, earns more profit, or returns more value to its shareholders than rival firms do. A firm achieves a competitive advantage by adding value to its products and services or reducing its own costs more effectively than its rivals in the industry. Source: <https://openstax.org/books/principles-management/pages/8-6-competition-strategy-and-competitive-advantage>

Then, review the graphic below to help visualize how the generic business-level strategies, discussed in the chapter, relate to an organization's competitive advantage.



Figure 1: Porter's Generic Strategies: Cost Leadership, Differentiation and Focus

Image Source: "Porter's Generic Strategies: Differentiation, Cost Leadership and Focus," B2U (Website)

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