Intensive growth strategy

SMSC Super I/O on an IBM motherboard. International Business Machines Corporation (IBM) uses its generic strategy (Porter's model) and intensive growth strategies to maintain strong competitive advantages in the global information technology industry. (Photo: Public Domain) International Business Machines Corporation (IBM) successfully operates in the global information technology industry through the effective implementation of the firm's generic strategy for competitive advantage (Porter's model) and intensive growth strategies to exploit growth opportunities in various markets. In Michael Porter's model, a company uses its generic strategy to ensure competitive advantage against other firms in the same industry or market. In IBM's case, a high rate of technological innovation is at the core of the company's generic competitive strategy. For example, the firm is popular for a variety of novel technologies, such as machines used in corporate offices around the world. Nicknamed Big Blue, IBM also applies its intensive strategies for business growth based on such emphasis on technological innovation. However, the company uses various intensive growth strategies that address business potential and opportunities in the industry. IBM's success is an indicator of the effectiveness of the generic competitive strategy and intensive strategies in defining strategic objectives that suit the business and its aims for growth and stability. IBM's generic strategy influences managers in determining the best decisions and courses of action to develop and maintain strong competitive advantages in the information technology industry. It is essential that the company's programs align with the generic competitive strategy to facilitate the success of implementing corresponding strategic objectives. In addition, the company's employees, known as IBMers, must fulfill their jobs and responsibilities to facilitate the successful implementation of intensive strategies for business growth. For example, employees must align their work output with the strategic objectives of the company, and account for changes in strategies accordingly. IBM's Generic Strategy (Porter's Model) IBM's generic strategy for competitive advantage is cost leadership. This strategy entails maintaining low costs in business processes, so as to establish competitive pricing or to maximize profit margins. Such low costs are possible through factors like high economies of scale, which is one of the strengths identifiable in the SWOT Analysis of IBM. For example, because of its large-scale operations, the company is capable of minimizing costs in providing cloud platform products and technology services. In relation, as a cost leader, IBM can implement competitive pricing for these products and services. In addition, the cost leadership generic strategy supports competitive advantage through expertise in production processes and materials management. In this case, IBM's more than 100 years of business experience equates to expertise and high efficiencies in various processes in developing, producing and providing information technologies and related services. The cost leadership generic competitive strategy leads to the strategic objective of expanding the scale of business processes to further enhance economies of scale that strengthens IBM's information technology business. For example, the company must invest more in expanding software development mechanisms to increase the cost effectiveness of developing new solutions for customers. Another strategic objective based on this generic competitive strategy is to invest more in research and development (R&D) to boost IBM's competitiveness based on product value. This generic strategy contributes to the foundation used for the company's intensive growth strategies that support competitive advantage. IBM's Intensive Strategies (Intensive Growth Strategies) Product Development (Primary Strategy). IBM's primary intensive growth strategy is product development. A strategic objective in implementing product development is to grow the business through continuous innovation to introduce new products to the target market. For example, in applying this intensive strategy, IBM can grow through the sale of its new computing systems in addition to the sale of its other products. The cost leadership generic strategy supports product development through efficiencies that enable the company to offer new products at competitive prices. The resulting competitive advantage supports the industry leadership aims emphasized in IBM's vision statement and mission statement. Market Penetration (Secondary Strategy). Market penetration is a secondary intensive growth strategy in IBM's information technology business. One of the strategic objectives in applying market penetration is to maximize the company's market share of each product line or product type. For example, IBM aims to maximize its market share for cloud platform products. The cost leadership generic competitive strategy provides cost minimization measures to empower the company to succeed in using this intensive strategy. Considering that the firm is already among the biggest players in the global industry, market penetration now holds only a secondary role in facilitating the growth of the business. Market Development (Supporting Strategy). IBM applies market development as a supporting intensive strategy for business growth. A strategic objective based on market development is to develop new applications of the company's current products to enter new markets or market segments. For example, IBM can develop new applications of its information technologies in autonomous vehicles. The cost leadership generic strategy supports market development through cost effectiveness that leads to competitive advantage in new markets or market segments. In this intensive growth strategy, entry into new markets or market segments should lead to corresponding changes in IBM's marketing mix or 4Ps. Diversification (Supporting Strategy). Diversification is an intensive strategy that has a supporting role in IBM's growth in the information technology industry. In this case, one of the company's strategic objectives is to diversify its business operations. For example, IBM can acquire smaller firms in other industries as a way of achieving more growth. Diversification supports the cost leadership generic competitive strategy through an increase in potential advantages based on newly acquired business capabilities. The company can implement this intensive growth strategy to take advantage of the trend of technological integration in various markets, which is an opportunity identifiable in the PESTEL/PESTLE analysis of IBM. References Dess, G. G., & Davis, P. S. (1984). Porter's (1980) generic strategies as determinants of strategic group membership and organizational performance. Academy of Management Journal, 27(3), 467-488. Glazer, R. (1999). Competitive Advantage Through Information-Intensive Strategies. Handbook of Services Marketing and Management, 409. International Business Machines Corporation – 2016 IBM Annual Report. International Business Machines Corporation, Form 10-K. Merchant, H. (2014). Configurations of governance structure, generic strategy, and firm size. Global Strategy Journal, 4(4), 292-309. Parnell, J. A. (1997). New evidence in the generic strategy and business performance debate: A research note. British Journal of Management, 8(2), 175-181. Spry, A., & Lukas, B. A. (2016). Brand Portfolio Architecture and Firm Performance: The Moderating Impact of Generic Strategy. In Looking Forward, Looking Back: Drawing on the Past to Shape the Future of Marketing (pp. 866-867). Springer International Publishing. U.S. Department of Commerce – International Trade Administration – Software and Information Technology Services Industry Spotlight. Varadarajan, P., & Dillon, W. R. (1982). Intensive growth strategies: A closer examination. Journal of Business Research, 10(4), 503-522. About 1819 1819 is a service from hub.brussels, the Brussels agency for business support. 1819 is a platform and a single information point for anyone who wants to start, grow or develop a business in Brussels in a professional manner and who is looking for information and help to do so. We put you on the right track, guide you quickly through all the information and direct you to the partners who can help you to make your project a real success, all free of charge! The Ansoff's model is one of the best tool which companies to develop market and product expansion strategies.Ansoff's model is based upon four type of strategies namely market penetration strategy, market development strategy, product development strategy and diversification strategy. The strategy is also dependent on company objectives include increasing sales, increasing profit, enter into new market, develop new product and enter into new business.Ansoff's Product-Market Expansion GridNow we'll discuss the four intensive growth strategies in detail.Market penetration strategyThe first strategy company is looking to adapt for increasing there sales and profits. Marketing efforts of the company to offer their existing products in the current markets is called market penetration strategy. The best way to do this to attract competitors customer and looking for potential customer for the existing products.Market Penetration FigureThe penetration that brands and products have can be recorded by companies such as ACNielsen and TNS who offer panel measurement services to calculate this and other consumer measures. In these cases penetration is given as a percentage of a country's households who have bought that particular brand or product at least once within a defined period of time.[sky]Examples of Market penetration strategyRecognizing that software as a service can be a potent market penetration tool, Dell is assembling a services portfolio that now includes e-mail disaster recovery, spam/virus filtering and archiving via its MessageOne acquisition.Southwest airline in the current market by offering flights for the small distance cities.According to Peter Wilson of High Definition & Digital Cinema Ltd., in terms of market penetration HD televisions were present in only 17 percent of U.S. households last year, a number that will grow to 22 percent this year and will exceed 55 percent in 2008.Pakistan State Oil penetrate in Pakistan market from 40% to 65% in the duration of 4 years by developing new retail outlets.Market development StrategyDeveloping a new market for the existing company product is called market development strategy.This is the process of finding new market for the new customer to increase company performance by increasing sales and profits. Companies can develop market on geographical such as city,country,region,state etc and demographical such as age,sex,gender,class etc.Market Development FigureA marketing manager has to think about the following questions before implementing a market development strategy: Is it profitable? Will it require the introduction of new or modified products? Is the customer and channel well enough researched and understood? The marketing manager uses these four groups to give more focus to the market segment decision: existing customers, competitor customers, non-buying in current segments, new segments.Related

intensive growth strategy example. intensive growth strategy pdf. intensive growth strategy meaning. intensive growth strategy types. intensive growth strategy ppt. intensive growth strategy includes. intensive growth strategy of apple. intensive growth strategy wiki