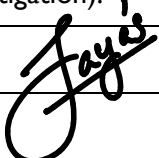


# Canterbury Institute of Management (CIM)

## ASSESSMENT COVER SHEET



1. Personal Details			
Student ID	Given Name(s)	Surname	Email Address
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Campus	Darwin Campus		
Course Title and Code	MGMT402 Strategic Management		
Assessment Title	Reflective Journal - <i>Week 6</i>		
Due Date & Time	10/11/2024		
Course Lecturer/Tutor Name: Charles Baah		Assessment Word Count (if applicable): 300	
2. Student Declaration			
<p>By signing and submitting this coversheet, I/we declare that:</p> <ul style="list-style-type: none"> <li>✓ This assessment submission is my/our own work unless otherwise acknowledged (including the use of generative AI tools) and is in accordance with the Institute's <b>Academic Integrity and Honesty Policy</b> available on the website.</li> <li>✓ No part of this assessment has been submitted previously for advanced standing or academic credit in this or any other course.</li> <li>✓ I/we certify that we have not given a copy or have shown a copy of this assessment item to another student enrolled in the course, other than members of this group.</li> <li>✓ I/we are aware that the Lecturer/Tutor of this assessment may, for the purpose of assessing this assessment task communicate a copy of this assessment task to a plagiarism checking service to detect possible breaches of academic integrity, for example, plagiarism, recycling, cheating, contract cheating, or unauthorised use of generative AI (which may then retain a copy of the item on its database for the purpose of future investigation).</li> </ul>			
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# MGMT402 Strategic Management

## Reflective Journal - Week 6

Ayesh Jayasekara - CIM12137

### Differentiation

A company strategy can be categorized in to 4 types depending on how they approach the market and their strategic emphasis.

- Cost Leadership
- Cost Focus
- Broad Differentiation
- Broad Focus

According to (Holt, 2022) is important for a company to carefully choose which market segment and how the products are different from other competitors in order to retain sustainable market portion.



Figure 2: No differentiation

A company can achieve differentiation mainly in two approaches. If the company carefully selects and serves niche market segment with specific needs such differentiation can be categorized as *focus differentiation*. Conversely, a company serves a widely available product but with a small add-on can be identified as *broad differentiation*; instead of selling just salt, sell iodine-zed salt.

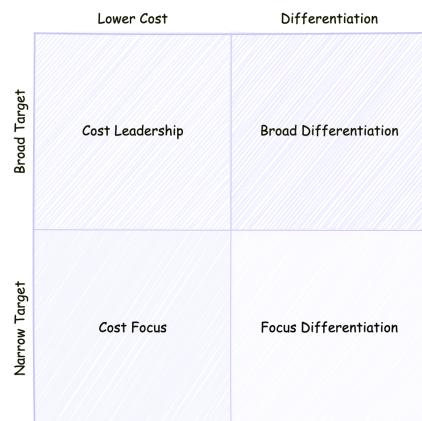


Figure 1: Approaching market segments



Figure 3: Clear differentiation

## Why Differentiation?

Therefore, it is essential that all companies regardless if they are product or service based to differentiate in multiple features or attributes comparatively to the competitors to retain and gain sustainable growth more importantly to penetrate into new market segment the the growth phase.

**In a differentiation strategy, a firm seeks to be unique in its industry along some dimensions that are widely valued by buyers. It selects one or more attributes that many buyers in an industry perceive as important, and uniquely *positions itself to meet those needs*.**

(Porter, 1985)

A company can even use the differentiation strategy as a pretext to market experiments if carefully catered in my opinion. Tesla was one successful example where they differentiated themselves by introducing autonomous driving and collision prediction features of which for the other manufacturers, was an immature feature to include in their products even though the concepts and the technology that leads to such features were widely discussed and researched for the previous couple of decades.

As a result of being early adopter Tesla now has the economies of scale advantage over other manufacturers who would want to introduce same features thus setting the margin for differentiation for them.

# Bibliography

Holt, K. (2022). *Differentiation Strategy - Winning Customers by Being Different [First Edition]* [<https://www.perlego.com/book/3463341>](visited 2024-11-08)]. Routledge.

Porter, M. E. (1985). *Competitive advantage : creating and sustaining superior performance*. Free Press ; Collier Macmillan.

## Evaluation Comments