



Figure 3.5 Sustainable competitive advantage.

Source: Adapted from Đuričin et al. (2015:136).

The company undergoes the following periods: (a) The period of sustainable competitive advantage where the actions of the company create competitive advantage; (b) the period of enjoying the benefits where a high level of achieved competitive advantage is created; and (c) the period of erosion of sustainable competitive advantage where the actions of competitors annul the competitive advantage, as shown in the image. Nataša Renko (2009) states that competitive advantage can be created only if it is:

- 1 Different, meaning that it is differently perceived by customers compared with other competitors;
- 2 Sustainable, meaning that competitors are not able to imitate it or reduce its advantages in a short time span;
- 3 Communicated, meaning that the buyers are informed on competitive advantages, making it visible.

Many competitive advantages do not have the features of sustainability, but rather the features of temporality. Instead of a frantic accentuation on a single competitive advantage, companies should develop several ones in order to create their sustainability. The dynamics of changes in the surrounding are making it more difficult to achieve sustainable competitive advantage which is becoming an unrealistic fiction observed from a perspective of a longer period of time (D'Aveni, 1994).

The approaches to creating and sustaining competitive advantage

What are the approaches to creating and sustaining competitive advantage and how to achieve it? There are many different ways. Although mutually exclusive in literature, their nature can be recognised as complementary. Each, from their own angle, represents the items to be analysed and developed to create and sustain competitive advantage.