

quality standards that contain valuable concepts that are important to use in the business of the company.

When it comes to environmental impact, an increasing number of companies complies management systems with the requirements of the ISO 14001 standard, which is the basic level of thinking. In terms of the impact on the society in which they operate (local, regional, national, global), companies are increasingly realising that they can build a competitive advantage very well on this basis, and make efforts in various ways to gain market attention and favour.

Porter's modified matrix of business strategies

The concept of building competitive advantage is a very subtle process. Competitive advantage is created quickly, but it erodes quickly, too. The competitive advantage of a company can be determined only in relation to competitors. Competitive advantage exists when a company has a cost-wise more favourable position than competitors, or has some uniqueness that customers are looking for.

Having a competitive advantage means that a company can produce a product with low cost compared with its competitors or may offer a product that its customers value more than a competitor's product.

Companies that implement EMS gain a market advantage over competitors, as we presented earlier, in two basic ways:

- 1 Through low cost of product with acceptable quality, creating an advantage over other competitors who cannot provide the same to customers. Buyers will stick to such an offer and buy more and thus achieve greater profitability for the manufacturer in turn.
- 2 Through differentiation of product which is based on the construction of additional values of products which, although they usually lead to a higher price, lead to a higher quality, which is most often protected by the brand. Developing differentiation is a long-term process that requires investment.

In this model, it is only necessary to include the environment and we can create a modified matrix of strategies that are available to companies for achieving competitive advantages, which is shown in Figure 7.4.

The combination of competitive advantage and core competences creates a modified matrix of business strategies for achieving competitive advantage which includes the following strategies:

- 1 *Eco-efficiency strategy* aims at fulfilling the production needs while consuming less environmental resources in the process.
- 2 *Eco-branding* strategy based on environmental features of a product is becoming more frequent among consumers with a developed conscious.