**2.1 The text provides three primary ways—strategic approaches (differentiation, cost, and response)—for achieving competitive advantage. Provide an example of each not given in the text. Support your choices. (Hint: Note the examples provided in the text.)**

1. **DIFFRENTIATION:**

**LUSH.**

LUSH is a makeup brand on the marketplace. It has reached international reach with a local “warm and fuzzy” approach. Its top competitions are Sepora, BOMB cosmetics, Etsy.

What differentiates LUSH from its competitors is that their products are **Handmade**. LUSH advocates are obsessed with the purity that comes from handmade items. They understand their customers, they are selfless with their products i.e. they offer free samples on nearly everything.

1. **COST:**

**Walmart.**

Walmart is an American multinational retail corporation that operates a chain of hypermarkets, discount department stores, and grocery stores whose foremost trait is cost efficiency. Walmart maintains lowest prices and attracts customers who base their buying decision primarily on price.

Walmart offers low prices and this is possible due to its high volume of sales; which is also possible due to the spread of its operation and wide customer base, due to its minimization of overhead and operational cost and also, leveraging its bargaining power to force suppliers to lower prices. Its competitors include: Amazon, Costco, Kroger, Tesco, Carrefour, etc.

1. **RESPONSE:**

**Amazon Prime.**

Amazon Prime is a subscription service that gives members access to a variety of Amazon perks. Benefits include expedited 2-day shipping, access to Amazon Prime Day deals, and many otherAmazon-specific benefits. They aren’t only efficient and accurate but speed is a major priority. Compared to brick-and-mortar stores, the main drawback ecommerce has is that customers will wait for the goods to arrive after purchasing them. Amazon has been able to reduce this drawback by focusing on timely delivery. Its competitors are Aliexpress, Alibaba, Tmail, etc.

**2.2 Within the food service industry (restaurants that serve meals to customers, but not just fast food), find examples of firms that have sustained competitive advantage by competing on the basis of (1) cost leadership, (2) response, and (3) differentiation. Cite one example in each category; provide a sentence or two in support of each choice. Do not use fast-food chains for all categories. (Hint: A “99¢ menu” is very easily copied and is not a good source of sustained advantage.)**

1. **COST LEADERSHIP:**
2. **RESPONSE:**

**Jimmy John’s.**

It is an American franchised fast food company. It is known for its fast delivery that arrives in 15mins or less. This company has set itself aside when it comes to respond and has then used it to gain competitive advantage over other businesses.

1. **DIFFRENTIATION:**

**2.4 Match the product with the proper parent company and country in the table below**

|  |  |  |
| --- | --- | --- |
| **Product** | **Parent Company** | **Country** |
| Arrow Shirts | Bidermann International | Japan |
| Braun Household Appliance | Procter and Gamble | Germany |
| Lotus Autos | Proton Holdings | Malaysia |
| Firestone Tires | Bridgestone | Japan |
| Blackberry | Research in Motion | Canada |
| Godiva Chocolate | Tata | India |
| Haagen-Dazs Ice Cream (USA) | Campbell Soup | USA |
| Jaguar Autos | Nestle | Switzerland |
| MGM Movies | MGM Holdings, Inc. | Japan |
| Lamborghini Autos | Volkswagen | Germany |
| Goodrich Tires | Michelin | France |
| Alpo Pet Foods | Nestle | Switzerland |

**2.5 Identify how changes within an organization affect the OM strategy for a company. For instance, discuss what impact the following internal factors might have on OM strategy:**

1. **Maturing of a product:**

Changing the structure of an organization may have varying effects on the OM strategy of the organization. For a commodity to develop, one example is, in this case, a cost-cutting plan will have to be implemented by the manufacturer, the changes made to the products minimized and a design solution enforced, and also ensure that longer production runs are used.

1. **Technology innovation in the manufacturing process.**

This would trigger several structural changes as technological innovation will lower the cost of manual labor. The company will also need professional workers to handle the latest technologies. Inventory, purchasing and quality standards need to be revisited. Inasmuch as labor skills will decrease, optimum capacity may be achieved.

1. **Changes in laptop computer design that builds in wireless technology.**

Inventory needs to be revised. Product design needs to be revised. New human resources skills.

**2.6 ??**

**2.7 Develop a ranking for corruption in the following countries: Mexico, Turkey, Canada, Denmark, Taiwan, Brazil, and another country of your choice.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Rank** | **Country** | **Region** | **Score (2019)** | **Score (2018)** |
| 130 | Mexico | Americas | 29 | 28 |
| 91 | Turkey | Eastern Europe | 39 | 41 |
| 12 | Canada | Americas | 77 | 81 |
| 1 | Denmark | Western Europe | 87 | 88 |
| 28 | Taiwan | Asia Pacific | 65 | 63 |
| 106 | Brazil | Americas | 35 | 35 |
| 146 | Nigeria | Africa | 26 | 27 |
| 9 | Germany | Western Europe | 80 | 80 |

**2.8 Develop a ranking for competitiveness and/or business environment for Britain, Canada, Singapore, Hong Kong, and Italy.**

|  |  |  |
| --- | --- | --- |
| **Rank** | **Economy** | **Score** |
| 1 | Singapore | 84.8 |
| 3 | Hong Kong | 83.1 |
| 9 | Britain | 81.2 |
| 14 | Canada | 79.6 |
| 30 | Italy | 71.5 |