



• Vanke (A): Transforming From A Diversified Conglomerate To A Focused Property Company



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Porter's Five Generic Strategies:

1. Cost Leadership - Type 1 (Low Cost)
2. Cost Leadership - Type 2 (Best Value)
3. Differentiation - Type 3
4. Focus - Type 4 (Low Cost)
5. Focus - Type 5 (Best Value)

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Focus

means producing goods & services that fulfill the needs of small fractions of consumers. Focus strategies are best used when consumers have unique preferences or requirements, and when rivals are not competing in the same target segment. Ex: Al Arabia Airline's slogan "Pay less. Fly more"

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Low Cost Focus Strategy - Type 4

offers goods to a niche group at the lowest price available on the market. Ex: Al Nasr (Egyptian automobile brand).

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Best Value Focus Strategy

- Type 5

offers goods to a niche group at the best price-value available on the market; it allows niche groups to have their tastes and requirements met by goods that are superior to those of competitors'. It usually has higher prices but its equipped with features that give it its value. It's also called "Focused Differentiation". Ex: GC Marine Yacht and Boat (producer of luxury yachts and ferries).

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Focus strategies are not effective in a large market because economies of scale would go for a low cost or best value cost leadership to maintain a competitive advantage.

Market penetration and market development strategies have advantages for the focus strategies. They are best used by midsized and large firms when linked to cost-leadership based or differentiation strategies.

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The downside of using a focus strategy is that it can be easily copied by competitors, or that consumers will be more interested in the product features desired by the market as a whole.

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