

Blue Ocean Strategy: Marketing Strategy to achieve Competitive Advantage

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ABSTRACT

Blue Ocean Strategy emphasizes the creation of new markets without direct competition, which has the potential to increase product differentiation and attract new customers. This research aims to investigate the concept of Blue Ocean Strategy as an innovative approach in marketing strategy to achieve competitive advantage. This research uses a qualitative approach with descriptive methods. The research results show that the application of the Blue Ocean Strategy as a marketing strategy to achieve competitive advantage has a significant positive impact. Companies that successfully implement this strategy are able to create new markets or change the dynamics of existing markets, bring unique product or service innovations, and provide differentiating customer experiences. Additionally, companies that successfully integrate cost reduction or efficiency improvements in their strategy can offer products or services at more competitive prices, strengthening competitiveness in the Blue Ocean. Strategic communication and gradual implementation play a key role in ensuring understanding and support from internal and external companies. Continuous evaluation and adjustment provides an opportunity for companies to remain responsive to market changes, maintain a competitive advantage, and ensure continued growth in their newly discovered markets.

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INTRODUCTION

In the current era of intense business competition, business people are faced with demands to continue looking for innovative and creative marketing ideas and strategies (Faisal et al, 2021). The increasing development of technology and changes in consumer behavior have created the need for a more dynamic approach in facing competition. market. Successful business people are those who are able to adapt quickly, identify new opportunities, and create unique solutions to meet consumer needs (Avita et al, 2023).

The importance of creative marketing strategies lies not only in product or service differentiation, but also in the way the product or service is marketed to consumers (Fathurrochman et al, 2021). By adopting a creative approach to marketing strategy, business people can open up new opportunities that have not been explored before. Creativity in marketing can create a strong attraction, build high brand awareness, and increase consumer loyalty (Dejawata et al, 2014). In this way, business people will not only survive the competition, but will also be able to create new and sustainable business opportunities. In this context, creative marketing strategies are the key to opening the door

to wider business opportunities and achieving success in a challenging business environment (Laboso, 2018).

In increasingly intense business competition, business people are not only required to produce innovation, but also to involve thinking outside their comfort zone (Achmad & Razak, 2023). The innovation that truly differentiates success from failure often comes from thinking that business competitors would not have thought of. Breaking through the boundaries of the comfort zone is the key to finding revolutionary solutions and breaking market paradigms (Dewi et al, 2020).

Innovation that comes from thinking outside the comfort zone not only includes unique products or services, but also involves business models, operational processes, and ways of interacting with customers (Adindo, 2021). Innovative steps taken beyond comfort inspire creativity, present unexpected solutions, and provide a competitive advantage that is difficult for competitors to follow. Even though it may be accompanied by uncertainty and risk, innovation outside the comfort zone is often an important milestone that changes the direction of the business and opens up new opportunities that were not visible before (Bambang, 2017). Therefore, business people who want to remain relevant and successful amidst intense competition must have the courage to step out of their comfort zone. Innovations that create real impacts and shake up markets are not created by adhering to the status quo (Bambang, 2017).

Blue Ocean Strategy, developed by W. Chan Kim and Renee Mauborgne, is a marketing strategy paradigm that focuses on creating a new and unique market space, which is referred to as the "Blue Ocean" (Kim & Mauborgne, 2014). This strategy involves an innovative where the company seeks to avoid direct competition with competitors in an established market, which is often referred to as "Red Ocean." (Lainos, 2011). In contrast, Blue Ocean Strategy encourages companies to create new markets or rearrange elements within existing industries, creating space without direct competition (Agnihotri, 2016).

Through this approach, companies do not just focus on improving operational efficiency or product differentiation, but instead create completely new added value for consumers. Blue Ocean Strategy involves changing paradigms by questioning existing assumptions and creating new ideas that were not previously thought of (Eskandari et al., 2015). By taking the risk of entering new, unexplored territory, companies can take advantage of significant growth opportunities, while reducing the level of competition by building exclusive markets for their products or services (Alam & Islam, 2017). Blue Ocean Strategy is not only a marketing strategy, but also a philosophy that stimulates innovation and helps companies avoid the pitfalls of conventional competition (Chandrakala & Devaru, 2013).

By adopting a Blue Ocean Strategy, companies seek to create new markets or change the dynamics of existing markets, creating a space without direct competition. This allows companies to go beyond existing industry boundaries and create unique added value for consumers (Alhaddi, 2014). By focusing on innovation, differentiation, and a deep understanding of customer needs, companies can create a Blue Ocean that enables significant growth without having to engage in head-to-head competition with competitors. In essence, Blue Ocean Strategy is not just about overcoming competition, but more about

creating a new space in the market where companies can develop without being limited by the restrictions that may exist in a Red Ocean (Malhotra & Seth, 2014).

Implementing Blue Ocean Strategy undoubtedly requires high levels of creative skills and strategic intelligence to understand the market and identify unique opportunities. The process of creating new market spaces and engaging consumers requires thinking outside the box, which is not always easy to do in the context of intense business competition (Tabari et al., 2014). Additionally, the fundamental changes in business models and marketing approaches required by Blue Ocean Strategy may require significant investment. High implementation costs involve financial risks that can be a challenge for some companies, especially those operating in highly competitive business environments (Shafiq et al., 2017).

The purpose of this research is to investigate and dig deeper into the application of Blue Ocean Strategy as a marketing strategy to achieve competitive advantage. Thus, it is hoped that this research can provide in-depth insight into the effectiveness of this strategy in creating new markets, increasing product differentiation, and opening up significant growth opportunities. The benefit of this research lies in its ability to provide practical guidance to business people in adopting innovative marketing strategies, as well as its contribution to academic literature in enriching understanding of the application of Blue Ocean Strategy as a tool for achieving competitive advantage in a dynamic business environment.

METHOD

The author uses a qualitative descriptive approach in this research, which aims to describe, analyze and provide meaning to the observed phenomena. A qualitative approach is used to explore and understand phenomena that occur in real life contexts. This research aims to present a systematic, factual and accurate description, picture and analysis of the facts and relationships between the phenomena being investigated (Yulianah, 2022). Data collection was carried out through literature study, which involved reviewing various literary sources such as books, magazines, journals and previous research reports. The use of library research aims to obtain information that is relevant to research, while avoiding duplication of results. Literature studies provide benefits to researchers by allowing them to utilize all information and thoughts that are relevant to the research being conducted.

RESULTS AND DISCUSSION

Blue Ocean Strategy is about designing and acquiring potential target markets by generating new demand. Since the industry did not exist before, there is absolutely no relevance of similar comparisons. This strategy meets new demands by familiarizing unique products with advanced features that are different from others. In other words, this strategy encourages companies to offer highly valuable products to consumers and supports companies to generate large profits and outperform the competition. The following is how the Blue Ocean strategy creates a competitive advantage for a company.

Market Analysis and Industry Participants

The first step in implementing the Blue Ocean Strategy is to conduct a comprehensive analysis of the market and industry participants. This involves a deep understanding of existing market dynamics (Red Ocean) and an assessment of competitors and existing products or services within them. Companies need to identify key elements in established markets, such as trends, consumer preferences, and needs that have been met by competitors. This market analysis includes a deep understanding of consumer behavior, level of competition, and barriers to entry that may be faced.

Furthermore, in this step, the company also needs to evaluate key competitors and analyze their strengths and weaknesses. By understanding competitors' strategies, companies can identify opportunities to differentiate themselves and create unique added value. Awareness of competitors also helps companies to identify gaps in the market that can be filled with Blue Ocean Strategy. Thus, market analysis and industry participants become the basis for companies to direct their focus towards strategies that can open up new opportunities and create previously unexplored market spaces.

Identify the Blue Ocean

The second step in implementing the Blue Ocean Strategy is to identify the Blue Ocean, namely finding opportunities to create new markets or change the dynamics of existing markets. This involves trying to find untapped market segments or consumer needs that have not been met by competitors. Identifying Blue Oceans requires creativity and strategic thinking to look beyond the boundaries of established markets.

This identification process also involves a deep understanding of customers and market trends. Companies need to gain insight from consumer behavior, customer feedback, and emerging industry trends. By properly understanding consumer needs and desires, companies can direct their innovation in the right direction and create appropriate added value. In addition, Blue Ocean identification also includes critical thinking about market elements that competitors may ignore or have not yet explored.

By recognizing the Blue Ocean, companies can design strategies that allow them to be pioneers in creating new markets or providing completely new solutions to consumers. This identification is not just about finding a gap in the market, but also about understanding how the company can fill that gap with unique and differentiated value. By taking this step, the company opened the door to developing a strong competitive advantage in the newly created Blue Ocean.

Product or Service Innovation:

The third step in implementing the Blue Ocean Strategy is to focus on product or service innovation. After identifying the Blue Ocean, companies need to develop products or services that are not only innovative, but also able to provide significant added value to consumers. Innovation doesn't just involve adding features or small changes, but can involve a fundamental transformation in the way a company delivers solutions to customers. By designing a unique product or service, a company can create strong differentiation from competitors in the newly created market.

Innovation in the context of Blue Ocean Strategy also includes the redesign of customer experience. Companies need to ensure that their customer experience reflects the added value brought by their innovative products or services. This can involve optimizing

the purchasing process, delivering exceptional customer service, or even establishing a strong customer community. Product or service innovation, when combined with positive customer experiences, can form the foundation of Blue Ocean's standout competitive advantage, ensuring consumer appeal and loyalty.

By focusing on innovation, companies can change the way customers view and interact with their products or services. This strategy not only creates added value, but also helps companies to maintain long-term competitive advantage in a dynamic business environment. Therefore, this step not only contributes to the creation of a Blue Ocean, but also to the establishment of a strong foundation for the company's growth and sustainability.

Customer Experience

The fourth step in implementing Blue Ocean Strategy involves special attention to customer experience. After developing an innovative product or service, companies need to design unique customer experiences to increase attraction and loyalty. The customer experience is not only limited to the moment of purchase, but covers the entire customer journey, from product discovery to after-sales. By understanding customer needs and expectations, companies can create memorable interactions, provide added value, and differentiate themselves from competitors.

Effective customer experience design can involve various aspects, such as an intuitive user interface, responsive customer service, and efficient customer retention strategies. In the context of Blue Ocean Strategy, it is important to adapt the customer experience to the unique characteristics of the newly created market. Companies must ensure that every point of contact with customers creates a positive impression and strengthens the added value promoted by the Blue Ocean Strategy. By focusing on the customer experience, companies not only create stronger relationships with customers, but also build a positive reputation that can help support continued growth in new markets.

Cost Reduction or Efficiency Improvement

The fifth step in implementing the Blue Ocean Strategy involves reducing costs or increasing efficiency. Although creating unique added value for customers is important, companies also need to ensure that their operations can run efficiently. This involves critical evaluation of business processes, production costs, and other expenses to identify potential savings without sacrificing product or service quality.

Cost reductions or increased efficiency can be achieved through the adoption of new technology, restructuring operational processes, or even through negotiations with suppliers. Blue Ocean Strategy is not only about creating a differentiated product or service, but also about creating a more efficient business model. By reducing production or operational costs, companies can offer their products or services at more competitive prices, making Blue Ocean more attractive to consumers.

However, it should be noted that cost reduction should not come at the expense of the value or quality of the products promoted by the Blue Ocean Strategy. Conversely, reducing costs should allow companies to provide greater added value to consumers or increase their profits. By combining product innovation, exceptional customer experience, and efficient cost management, companies can build a solid foundation for competitive advantage in newly created markets through Blue Ocean Strategy.

Strategy Communication

The sixth step in implementing the Blue Ocean Strategy is communicating the strategy well to internal and external companies. It is important for companies to inform employees and stakeholders about the strategic changes that will be made. Effective communication helps ensure that all parties involved understand the company's strategic objectives and why implementing the Blue Ocean Strategy is a critical step.

Internal communication can involve employee training to understand the changes that will occur, inspire a spirit of creativity, and motivate the team to contribute to realizing the Blue Ocean Strategy vision. Meanwhile, external communications, such as through marketing campaigns, need to detail the added value offered by the company in the new Blue Ocean. Clearly explain how an innovative and unique product or service will meet customer needs better than competitors, as well as how it will bring positive change to the market.

By carrying out strategic communication effectively, companies can create strong understanding and support from both internal and external sources. This helps build a work climate that supports the implementation of the Blue Ocean Strategy and ensures that all parties are involved in realizing the company's vision. In the context of intense competition, good strategic communication can also help position the company clearly in the new Blue Ocean and build a positive image in the eyes of consumers.

Phased Implementation

The seventh step in implementing the Blue Ocean Strategy is gradual implementation. Major changes in a company's strategy are often more effective if implemented in stages. This allows companies to evaluate the impact of each step, correct weaknesses that may arise, and provide opportunities for employees and stakeholders to adapt to these changes. Gradual implementation also helps reduce potential resistance to change, because employees and stakeholders can more easily adapt to changes that occur gradually.

Apart from that, continuous monitoring and evaluation is key in this implementation step. Companies need to continuously monitor the performance of the Blue Ocean strategy, assess market response, and measure achievement against established goals. By obtaining feedback directly from the market and involving internal teams in evaluations, companies can identify opportunities for improvement and adjust their strategies as needed. By carrying out careful and sustainable implementation, companies can maximize the chances of success of the Blue Ocean Strategy and increase their competitiveness in the markets they have just entered.

Evaluation and Adjustment

The eighth step in implementing the Blue Ocean Strategy involves continuous evaluation and adjustment. In the context of ever-changing business dynamics, companies need to understand that strategies that are effective today may require adjustments in the future. Therefore, after implementation, companies should regularly evaluate the performance of the Blue Ocean strategy, as well as respond to changes in the external environment and market behavior. Careful evaluation can involve monitoring key performance indicators, such as market share, customer satisfaction, and profitability, to ensure that the company continues to move toward its stated goals.

It is important to create an organizational culture that encourages continuous learning and innovation. Internal teams need to be encouraged to actively participate in the evaluation process and provide valuable input. With a continuous cycle of evaluation and adjustment, companies can be more responsive to market changes, strengthen their strategies, and maintain their competitiveness in the Blue Ocean that has been created. Thus, this step not only marks the end of the implementation of the Blue Ocean Strategy, but also the beginning of a continuous learning cycle that allows companies to remain relevant and superior in the markets they explore.

CONCLUSION

Implementing Blue Ocean Strategy involves a comprehensive series of strategic steps to create added value and competitive advantage in new markets. In implementing this strategy, companies need to conduct in-depth market analysis, identify Blue Ocean opportunities, develop innovative products or services, and design unique customer experiences. In addition, reducing costs or increasing efficiency is the key to maintaining price competitiveness. Effective communication and gradual implementation help ensure understanding and support from employees and stakeholders. Continuous evaluation and adjustment becomes the final stage, allowing companies to remain adaptive to market changes and maintain long-term competitive advantage. Implementing Blue Ocean Strategy is not only about creating uniqueness, but also includes changes in organizational culture and processes that support sustainable innovation. Success in this strategy lies not only in the product or service created, but also in the company's ability to understand market dynamics, respond to changes, and continue to learn from experience. By adopting a Blue Ocean Strategy, companies can position themselves to achieve long-term growth, avoid direct competition, and create sustainable value in their newly created markets.

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