International Journal of Business and Management; Vol. 19, No. 6; 2024
ISSN 1833-3850 E-ISSN 1833-8119
Published by Canadian Center of Science and Education

Blue Ocean Strategy: Thesis and Antithesis

Muhammad Ahmed Butt[1]

[1] Professor Doctor (DBA), University of Central Punjab, Lahore, Pakistan

Correspondence: Muhammad Ahmed Butt, Professor Doctor (DBA), University of Central Punjab, Lahore, Pakistan. E-mail: m.ahmedbutt@ucp.edu.pk

Received: September 20, 2024 Accepted: October 17, 2024 Online Published: October 19, 2024

doi:10.5539/ijbm.v19n6p199 URL: https://doi.org/10.5539/ijbm.v19n6p199

Abstract

The purpose of this paper is to explore the overarching theme of blue ocean strategy thesis and its determinants, alongside the arguments building the antithesis of blue ocean strategy and its determining factors. The approach included reviewing the empirical and seminal literature inclusive of books on blue ocean strategy and articles published by eminent scholars and researchers. The paper presents in detail the theme encompassed by blue ocean strategy, elaborates the theoretical perspectives and highlights its components inclusive of description of frameworks and analytical tools. Porter's theoretical perspective on strategy was incorporated in the discussion to build the arguments for antithesis and conclusions are accordingly drawn. This paper is meant to provide some diverse perspectives on Strategy, the related description of frameworks and analytical tools for the constituencies of academia, practitioners and policy makers. This review study may advance knowledge in the domain of understanding Strategy, its two contrasting theories along with linked determinants and constructs from different lenses, relevant for academia, practitioners and policy makers.

Keywords: blue ocean strategy, strategic positioning, strategy, sustainable advantage

1. Introduction

Strategy, competitiveness of companies, competitive advantage, value innovation, profitability and growth, to name a few, are intriguing themes and compelling areas of study for scholars. In similar vein (Kim &Mauborgne,2005) based their studies and decades long work focusing on strategic moves in business world and came up with the book titled 'Blue Ocean Strategy' in which they expounded doctrines and thesis on strategy. Their theory placed emphasis on shift of focus by managers from competition-specific approach to creating new market space rendering the competition trivial. In line with their thoughts, to capture the blue ocean, they introduced analytical frameworks and tools while maintaining their argued position that blue ocean strategy (BOS) approach presents new path for capturing the future market and create demand in the untested new blue ocean.

Host of theories are available on creating value, increasing profitability and promoting growth, inclusive of achieving competitive advantage and sustainable advantage for firms in the industry which are in sharp contrast to Kim and Mauborgne (2005) theory of BOS. To develop the antithesis; Porter (1996) article, 'What is Strategy?' has been selected by the author of this paper. The antithesis of blue ocean strategy is that competition is the dominant factor of the dogma of strategy. According to Porter (1996) competition is based on defined boundaries to outperform the rivals by way of using competitive framework and tools. The core theme of strategy is focused on selecting and executing activities differently or executing activities different from competitors. The salient components of strategy to realize value and growth are i.e., strategic position, trade-offs which generate the choices, and homogenized activities with Fit across activities. For this paper there are two central questions:

1. What is the overarching perspective of blue ocean strategy, its determinants, and the basis of BOS thesis.

2. What is the antithesis of blue ocean strategy, its determinants, and supportive arguments.

This paper addresses these questions and includes the literature review related to both; the theses of blue ocean strategy, and antithesis, discussion, and conclusion.

2. Literature Review

2.1 Blue Ocean Strategy: Thesis

Kim and Mauborgne (2005) Professors of Strategy and co-directors of Blue Ocean Strategy(BOS) at INSEAD

Institute Fontainebleau, France theorized the BOS based on their decenary-long studies focusing the strategic moves in 30 industries spreading above 100 years. In their book titled, 'Blue Ocean Strategy' they presented dogmas of competitive strategy and advocated the philosophy to infuse in firm's strategy a shift away from competition-specific approach to creation of new market space, and in the process, making the competition trivial. Consistent with their thoughts the authors introduced analytical frameworks and tools to capture the blue oceans which were anchored in case studies. The authors maintained their argued position that BOS approach presents new path for conquering the future. Additionally, BOS brings about major shift in the domain of Strategy.

For over two decades, corporate strategy revolved around the central theme of thrust on competition. Arguably, according to (Kim & Mauborgne, 2005), in today's business world when speaking about strategy, terms like competitive benchmarking, developing competitive advantages, competitive strategy and beating rivals are commonly used. Competition-specific focus has its inherent roots in military strategy. The authors believe that when firms compete with each other in the given market structure where the boundaries are defined; they feel pressures to craft defensible strategic position vis-à-vis competing players in the current market space. In addition, strategy practitioners demonstrate a quest to perform better than their rivals with the objective to achieve advantageous position and stronghold in the market space. The authors reiterate that at this juncture it is zero-sum game i.e., one firm's gain is acquired against other firm's loss. Therefore, in conventional wisdom, 'competition' being equation's supply side, remained the determinant strategy variable in dividing the industry space.

The authors, while expounding BOS assumed that the universe of market is constituted of two oceans namely, red ocean and blue ocean. Red ocean denotes the industries, both manufacturing and services, existing today in known market space. In stark contrast, blue oceans typify the industry which is non-existent today and in respect of which the market space is unknown. Notwithstanding that blue ocean term is new, their presence in the business world is not. Realistically, they are physiognomy of industries life: past and present (Kim & Mauborgne, 2015). The authors maintained the argument that red ocean remains quintessential in industries life. Nonetheless, supply being excessive against demand in major industries, competing in shrinking market, though essential, would not be adequate in sustaining high performance. Company players need to seize new opportunities for profit and growth and creating blue oceans. The architects of blue ocean are not inclined to keep competition as benchmark; rather, their emphasis is on 'value innovation' which serves as linchpin of blue ocean strategy. Value innovation plays key instrumental role in making competition trivial by creating a surge in value for both buyers and company, resulting in emergence of new unobstructed market space.

The authors studied business launches of 108 companies which created blue ocean and determined its impact on firm's growth in terms of revenues and profits. It was inferred that 86 percent of the launches showed incremental improvement by way of line extensions within existing space in red ocean and recorded 62 percent of total revenues and total profits merely 39 percent. The remaining 14 percent of launches focused on creation of blue oceans, and accounted for 38 percent total revenue and total profits 61 percent. These business launches are inclusive of total investment outlays for the creation of red and blue oceans. The firms, by way of creating blue oceans made evident gains in terms of performance benefits (disregarding subsequent consequential impact on revenues and profits, additionally, failures). Kim and Mauborgne (2015) mentioned unavailability of data on the initiatives of red and blue oceans but according to them, in the global context there is significant difference in performance.

It was noted by (Kim & Mauborgne,2015) that rising imperative to have a shift in creating blue oceans is governed by many underlying forces. Industrial productivity has increased as a result of fast advancement in technology which has motivated suppliers to produce new and innovative products and services. Globalization pushed the industry trend in this direction. As trade barriers among countries and regions lowered, product information coupled with price comparison is easily accessible, that too globally, leading to a situation where niche and monopolistic sanctuaries would gradually fade (Omae,1990,1995). As global competition becomes fierce, supply witnesses an upsurge, however there is no explicit testimony suggesting a corresponding surge in demand across the world and declining population in developed markets as pointed out by statistics (United Nations Statistics Division [UNSD], 2002). The outcome is; increase in commoditization of products and services, escalation in price wars, and declining profit margins. Lately, industry-based studies confirm this trend in major American brands. Based on these studies, it is inferred that products and services in major categories of brands are becoming similar, resultantly, customers select the products and services on price basis.

According to (Kim & Mauborgne, 2015) the foregoing points suggest that business environments in which the conventional strategy and management concepts evolved are increasingly vanishing. As red oceans are becoming more slaughterous and bloody, it is needed that management should have more focus on blue oceans rather than relying on comrade of managers implementing conventional strategic approaches which they are familiar with and have been practicing over the years.

The authors acknowledge that despite the fact that economic conditions indicate the surging imperative of blue oceans, there is a general notion that the probability that desired outcomes will occur are lower when companies undertake ventures outside the existing industry space; however, they assert that no strategy is risk-free; whether it is a red ocean or blue ocean initiative, the strategy is embedded with opportunity as well as risk factors. The authors surmise that even in today's global arena, the senior managers, the analytical tools and frameworks all are favoring how to succeed in red oceans. In the presence of this mindset and frame of reference, red ocean will continue to command the firms' strategic plan disregarding the fact that blue ocean business imperative reflects new exigency. Based on the above observations, the authors have noted that it partially explains the firms' slow response to push the boundaries and venture beyond the existing market space as they apparently have not yet given serious consideration to follow these recommendations.

Consistent with the line of reasoning of (Kim & Mauborgne, 2015) the red ocean strategy is competition-based and in the process assumes that structural conditions of industry are pre-defined and industry players are compelled to compete within the given market space. In contrast, blue ocean strategy is based on the premise that neither industry structure is given nor market boundaries defined; industry players, based on their convictions and actions, can reconstruct the market; it is termed as *reconstructionist* view. Strategic aim of *reconstructionist* view is to formulate new rules and break away from the prevailing value/cost trade-off phenomenon and ultimately create a blue ocean space. The authors further argued that red ocean companies compete in the market with the rule of best-practices, and differentiation costs. Hence firms can generate more value for customers with increased cost or generate adequate value at lower cost, meaning thereby that strategy is fundamentally the option between differentiation and low cost.

The authors maintained the argument that the companies which are influenced by reconstructionist view are distinct from other market players in the sense that their strategic thinking is not impeded by current market structures and they recognize that untried large demand is outside the existing market structures. The question is how to create this demand? This necessitates a strategic change; shifting focus from supply to demand, attention from competing to forgetting about competing. This perspective encompasses; analyzing systematically the existing competition boundaries which are well established, reconfiguring the current factors in different markets and on the basis thereof reconstructing new market space thereby creating a fresh degree of demand. The authors reach the conclusion that adopting this approach which is holistic in nature leads to blue ocean which is a sustainable strategy.

The critical question confronted to strategists is "How to make the competition trivial and break away from red ocean?" To present the answer to this question, Kim and Mauborgne (2005) offered strategy canvas and analytical framework. The strategy canvas and analytical framework is the cornerstone of value innovation and venturing to create blue oceans. For the authors, the strategy canvas is primarily used for developing diagnostic and action-based framework with the main purpose of creation of a sound blue ocean strategy. The important role of strategy canvas is to gain understanding about the current status of competing players in the established market space. This exercise permits to develop insight as to where currently competing industry players are investing, including areas like: products, services and delivery. More importantly, what the customers are receiving from these current competitive offerings. Kim and Mauborgne (2017) further elaborated the concept of constructing strategy canvas of industry being equally significant for new entrepreneur and a new not-for-profit business.

Consistent with the authors' explication there are four focal actions that get consideration whilst reconstituting buyers' value elements:

1. What are those factors opted and taken for granted by the industry which should become subject to elimination?

2. What are those factors which should become subject to reduction well below the industry standards?

3. What are those factors which should be raised well above the industry standards?

4. What are those factors which the industry never offered and should become subject to creation?

The answer to the first question influences the company to eliminate factors on which the industry players have been competing for a long time. Evidently, the factors taken for granted have no value any more. The answer to the second question pressures the company to evaluate whether products or services are subject to over-design in the process of matching and beating the competitors. The answer to the third question drives the company to unearth and eliminate compromises industry players compel the customers to make. The answer to the fourth question provides impetus to the company to come up with completely new set of sources of value for customers, creating new demand plus influencing the industry pricing. According to the authors if the company follows the question 1, and 2 (i.e., eliminating and reducing); by doing so the company gets insight how to drop the cost as against the competitors. Pursuing answers to the third and fourth questions provides the company new insight regards driving value for customers and generate new demand. On the whole the four questions permit the company to explore in a rational manner how to construct value elements for the buyer across a spectrum of industries presenting all new experience and concurrently keeping the company's cost low. Finally, by applying all the four elements of Action Framework on the strategy canvas of the industry, the company will witness new revealing realities which would be in stark contrast to the previously held facts based on conventional notions.

According to (Kim &Mauborgne, 2017) in achieving a blue ocean shift, the newly emerged strategic profile of the company is distinctly different and remarkably divergent from other existing players; hence buyers think about company's offering and not mixing it up with other industry incumbents. Importantly, to develop the blue ocean shift and gain a prominence in market, in order to be noticed by the buyers, the strategic profile should meet three criteria. Firstly, it should be unambiguous to the extent that its basic shape on strategy canvas emerges as diverging from the average profile of the industry. Notably, it should not reflect a marginal difference in comparison to competitors. Secondly, the company's strategic profile should be focused; meaning thereby that on the same set of factors where the rest of the industry is competing, the company should not over-deliver or under-deliver. Logically, the company should place emphasis on a set of focal factors that could result in a surge in buyer value whereas the others should be eliminated and reduced. This strategic move will provide strength to company's profile in real time along with greater value being offered. Finally, company's strategic profile builds captivating tagline that addresses the market, and reliably presents company's offering with integrity. According to the authors, compelling tagline is the initial crucial acid test to make certain that divergence and focus underneath the strategic profile are connected to provide a surge in buyer value. The foregoing position has been advocated and maintained by the authors of BOS which forms the basis of BOS thesis. The upcoming portion of this review study squarely focuses on the antithesis of BOS and one of the contrasting theories anchored for counter arguments is Porter (1996) article on strategy and its determinants.

2.2 Blue Ocean Strategy: Antithesis

Porter (1996), Professor at the Harvard Business School presented that 'positioning' which is at times at the core of strategy has become outmoded in the wake of continuous change in the markets and rapid technology transformation. Consistent with the new tenets, competitors imitate market position; thus rendering competitive advantage a goal for short time only. According to Porter, the underneath reasons for this failure is differentiating between operational effectiveness and strategy. The desire to increase productivity and enhance quality in the operations at a fast speed has engendered impressive tools and techniques in the field of management; resultantly there is invariably remarkable operational improvement, however, a lot of companies have admitted their failure to turn this advantage into sustainable profitability. Management tools successfully took the lead in taking the place of strategy. In the process, the managers, forced to improve all-around the firm, deviate further from workable competitive position (Porter, 1996).

For any firm, operational effectiveness and strategy both are imperative to gain superior performance, logically this should be the core goal. However, they operate in exceptionally distinct ways. If firms manage to maintain their distinction vis-à-vis other market players, they can defeat the competitors. Firm must provide higher value to buyers or generate equal value at less cost or perform both. Operational Effectiveness (OE) refers to executing identical activities better vis-à-vis rivals executing them. Conversely, strategic positioning refers, according to (Porter1996), as performing activities which are different from competitors or alternately performing identical activities in different ways. Notably, there are some prevalent factors behind firms' operational effectiveness. Some firms get more in comparison to others by eliminating unnecessary usage of advanced technology, motivating the employees, or developing greater acumen in managing specific activities.

Due to development in technology, introduction of latest management approaches and availability of new inputs the productivity landscape is continuously making progression. Improving OE on constant basis is imperative to realize the goal of superior profitability. Nonetheless, it is not normally adequate. Apparently, firms cannot compete successfully in the industry on the grounds of OE for protracted period and experience hard times with every passing day to remain in leading position against rivals. Quick dissemination of best practices has become the new norm in the industry; implying that rival players instantly copy the new technology, management techniques, improvements in the inputs and meeting customers' needs in exceptional ways. Under pressure of performance, companies would start buying out their rivals not because of having a strategic vision; rather just as they had no better proposition.

According to Porter (1996) competitive strategy refers as being distinct. This means willfully picking distinct set of activities to provide exceptional blend of value. Majority of managers in the industries characterize strategic positions focusing on their customers. However, the core of strategy rests in the activities; i.e., opting to execute activities differently or to execute activities different from competitors. Porter is of the view that strategic position originates from three different sources; these are not mutually exclusive and overlap invariably. Firstly, positioning could include production of subset of industry products or services. The author called this as *variety-based positioning* the basis of which is not determined as customer segmentation; rather it is based on choices of products or services. When a company can produce specific product or services utilizing best of a different batch of activities, then it makes economic sense. Secondly, when the company is serving the majority or all the target customers' needs; the author termed it as *needs-based positioning;* to elaborate, when groups of buyers with contrasting needs are served with customized set of activities. The third type of positioning is basically focused on segmenting customers reachable through different means. Disregarding the fact that their needs are identical to other buyers, combinations of activities to approach them are different. The author called this positioning as *access-based positioning*. This positioning is not very common, less comprehended vis-à-vis the other two positioning bases. For example, rural versus urban customers involves differences in set of activities to access and influence them.

According to the author, trade-offs generate the need for choices and company can protect itself from the re-positioners and straddlers. There are three reasons due to which trade-offs emerge. Firstly, irregularities in the firm's image or repute. Firm professing one kind of values and practicing a different set of values may lose credibility and may baffle the buyers or may affect the repute of the company. Similarly, if firm offers conflicting sets of values or makes efforts to deliver two conflicting things concurrently, it mars their public perception. Porter (1996) noted that the amount of effort required to build the image of firm costs enormously in dollars in a key industry and serves as dominant obstacle for imitators. Secondly and more importantly, activities generate trade-offs themselves. Having different positions call for configuration of products, equipment, employee behavior, skills and management system differently. Thirdly and finally, trade-offs emerge from placing limits on company's internal coordination and control. The senior management has to make clear priorities while opting for one as against another. The positions viz trade-offs are essential to strategy and prevalent in competition.

Porter (1996) explains that for the managers who have over the years achieved operational effectiveness, eliminating the trade-offs is good; however, sustainable advantage can never be achieved without trade-offs. Trade-offs add a new perspective to the question what is strategy? It is deduced from the author's point of view that in the absence of trade-offs there is no choice and no logic for strategy. In such a situation, imitators could and would quickly copy the good idea.

According to Porter (1996) positioning options do determine the activities performed by the firm plus configuration of individual activities and relationship of activities with one other. Operational effectiveness has emphasis on realizing the greatness in individual activity, or functional supremacy whereas strategy has focus on combining activities. *Fit* as explained by the author blocks the imitators by constructing a barrier.

Disjointed activities invariably affect each other and that is important for Fit. Porter describes that Fit has three types; they are distinct but not mutually exclusive. First-order fit is *simple consistency* that ensures balance among functional activities and the all-inclusive strategy. In addition, consistency makes certain that competitive advantage (CA) activities do garner and not cancel out each other. Second-order fit arises when firm's activities have the elements of *Reinforcing.* According to the author the third-order fit occurs beyond second-order fit i.e., *optimization of efforts.* The most elementary types of optimizing efforts are to eradicate redundancy and bring down the level of wastage through effective coordination and information exchange among organizational activities. Higher level efforts optimization includes, for example, choices in product designing, this process can finish the after sales service by encouraging the customers to conduct service-related activities themselves.

In all the three types of Fit, the whole matters more than any individual part. Competitive advantage grows out of the *entire system* of activities. The Fit among activities substantially reduces cost or increases differentiation. The author maintained this point of view that the three types of Fit highlighted above, in their entirety, matter more in comparison to any individual part. The *Entire system* of activities paves the way for competitive advantage. Sizeable cost reduction or differentiation can result from Fit among activities. It would be misleading for competitive firms to define success linking it with specific individual strengths and core competencies. It is more pragmatic to relate it with themes that diffuse many activities like low cost or specific approach of customer service. These themes blend in solidly with associated activities.

Besides, sustainability advantage can also be achieved by having strategic fit among many activities. It would be challenging for competitors to match host of interwoven activities and imitate them. Position built on systems of activities are experienced to be more sustainable in comparison to those constructed on lone activities. Plus, if the company position is resting more on systems of activities focusing second-and third-order fit, the company will have greater sustainable advantage. In addition, having such systems invariably makes it challenging for competitors to copy as they are cumbersome to imitate.

According to the author the company whose activity systems incorporate trade-offs possess most secure positions. Trade-off rules are governed by strategic positioning that further support how individual activities are to be integrated. Considering strategy in the form of activity system crystalizes as to the reasons for organizational structure, system and processes being essentially strategy-focused. According to the author, strategic positions should not have single cycle plan rather it should stretch over decade or more. Nurturing continuous improvement in individual activities coupled with Fit across activities, provide impetus for organization to develop unique capabilities and skills aimed at promoting its strategy.

Porter (1996) also expounded the question as to why majority of firms decline to have strategy? Why managers of firms are reluctant to have choices? It is common perception that strategy faces threats from outside the organization. However, from the author's point of view, major threats the company has to confront are from within. A robust strategy can be subverted by unfounded perception of competition, failures of the organization, and lagging inclination to grow. Resultantly managers become perplexed in coming up with choices. There are other underlying reasons due to which firms abstain from or make obscure strategic choices in the organization.

Porter (1996) observes that it is possible that the most unreasonable effect on strategy is the desire to grow, among other influences whereas growth being impeded by trade-offs and limits, it appears. Real or perceived limit on revenue growth is the result of serving one cluster of groups while excluding other groups. Strategy designed to target the broader segment with lower price preference deters the feature-seeking customers. Strategy with emphasis on differentiation results in lost sales opportunity to price sensitive customers. In the organization managers are consistently tempted to undertake incremental growth trajectory and when they go to the extremes, they end up having unfocused strategy. In the face of this situation the pressures mount on the managers to grow that lead to taking actions which broaden the position like product lines extension, infusing new features, imitating to match the rivals' services and processes, and looking for acquisitions.

Under these circumstances the question arises what are those growth-based approaches which maintain and reinforce the strategy? In the broader context, the answer is implied in the logic to focus on intensifying the strategic position instead of broadening and coming to terms with it. According to the author, the preference for the strategy of extension reflects the tendency of leveraging the current activity system presented in the offering, features or services that is challenging and costly for competitors to match and imitate.

Porter (1996) is of the view that crafting a clear strategy is the overarching responsibility of organization and its leadership. In the wake of multiple impediments contributing negatively towards the need to make choices and trade-offs in the firm, it is important to counter-balance the same through a well thought out framework to support the strategy. In addition, strong leaders with acumen and willingness to make determined choices are quintessential rather than debasing into unifying operational improvement and striking the same deals. The author notes that the scope of leadership is by far broader and important; his core responsibility is: expounding and disseminating firm's distinct position, generating trade-offs, putting together Fit among activities, ensuring that operational effectiveness receives continuity, and that company tries to push the boundaries of productivity, concurrently making efforts to further the uniqueness whilst augmenting the fit among its activities (Porter,1996). The aforesaid determinants of Strategy serve as explicit antithesis of BOS while providing a very different insight contextually; it hinges upon empirical foundation. The next part of the study contains discussion on BOS thesis and antithesis.

3. Discussion

3.1 Blue Ocean; Thesis and Antithesis

Kim and Mauborgne (2005) presented the thesis that doctrines of competitive strategy entails infusing in strategy a shift away from being competition-specific to creating new market space and in the process making the competition trivial. The authors have built their thesis with the support of case studies. To support their doctrine, they have used analytical frameworks and tools while maintaining the conviction regards blue ocean strategy (BOS). To them strong strategic approach leads the companies to a new path for gaining the futuristic competitive edge in the competitive arena resulting into a key shift in the discipline of Strategy.

Building their BOS thesis, the authors note that rivals while competing among themselves act on the assumption that market along with its boundaries has explicit demarcation, this phenomenon in turn influences the competing firms to formulate defensive strategy vis-à-vis the rivals. Hence supply side arguably remains the determinant data item in dividing the industry space. To provide further impetus to their thesis, BOS authors draw attention to a critical point that in today's era the notion of industry boundaries is non-existent and accordingly the market space is not known.

The authors observe that in major industries, in situations where supply side becomes excessive, sustaining high performance in shrinking market, though essential, however, is not adequate. Industry players need to seize the opportunities to document profitability and growth and create blue oceans. The authors believe that value innovation is the key determinant in rendering competition trivial and in creating value for buyers and company. To provide further support to the thesis, Kim and Mauborgne (2015) have pointed out that currently due to exceedingly compelling pressures in the form of forces like global competition, the markets have witnessed an upsurge in the supply side while there is no objectively based evidence which reflects a surge in the demand side in the global context.

While discussing and elaborating their thesis, the authors underscore that the management, while developing strategy to pursue competition and growth, may start placing focus on blue oceans instead of executing known and familiar strategic approaches, reason being that red oceans are becoming bloodier, i.e., the competition getting fiercer. They further defended their thesis by arguing that blue ocean strategy is grounded in the facets that neither industry structure is given and nor market boundaries are defined. Industry incumbents, on their action-based approach coupled with conviction, can reconstruct the market. The authors coined the term *reconstructionist* view to explain their point of view. They further suggest that *reconstructionist* view encompasses constituting new rules while discarding the currently prevalent value/cost trade-off theme; and creating space for blue ocean. While further expounding this theme, the authors observe that the process entails systematically analyzing the existing competitive and well-established boundaries and reconfiguring the prevalent determining factors in different markets. This will serve as strong basis for moving in the given direction and reaching the juncture where they are able to create both new market space and fresh demand.

According to the authors, the key question faced by the strategists is "how to render competition trivial and quit the red ocean?"; while responding to this question the authors in their thesis offered strategy canvas and analytical framework which serve as the foundation of value innovation, and creation of the blue oceans. Kim and Mauborgne (2017) in defense of their thesis recommended strongly to strategists the usage of their conceived and practically tested strategy canvas and analytical frameworks. The BOS theory proponents assert that by following the strategy canvas systematically i.e., from blue ocean strategy formulation to its execution, a company can achieve a blue ocean shift, and resultantly after this action-based exercise, a new strategic profile will emerge which is distinctly different and provides focus, divergence and compelling tagline for the company.

Many scholars in the field of management sciences in the past few decades have presented theories and practices with empirical support, covering areas including: strategy, competition, competitive advantage, competency-based growth, sustainable advantage and national competitive advantage of nation, to name a few. Their theories are in stark contrast with metaphorically used theory termed as blue ocean strategy. Scope of this paper does not permit the rebuttal of blue ocean strategy while anchoring all the theories in the debate which have totally different views for creating value, profitability and sustainable competitive advantage in the process of competing in the red ocean. Nonetheless, antithesis of blue ocean strategy theory may be presented by bringing in Porter (1996) article in Harvard Business Review (HRB) published much ahead of blue ocean strategy (Kim &Mauborgne, 2005) theory but the theory and arguments presented by Porter still hold ground. Forthcoming paragraphs discuss the antithesis of blue ocean strategy.

Porter (1996) expounded that *positioning* being central to strategy has become obsolete in the presence of rapid market changes. Competitors, due to new principles, imitate market position fast and competitive advantage remains relevant only in the short term. Porter argued that beneath the failure of a firm, the underlying reasons relate to creating distinction between *Operational Effectiveness(OE)* and *strategy*. Impressive tools and techniques lead the company to realize their need and desire to enhance the overall productivity, and infuse quality in the operations at a fast pace. Results often reflect substantial improvement in operations, nevertheless reasonable number of companies could not turn this advantage into sustainable advantage and they admit their failure. Ironically, management tools took the place of strategy. Managers were compelled to improve the firm's performance; this act made the company deviate further from its prudent competitive position.

Unlike blue ocean strategy theory, Porter (1996) believes that operational effectiveness and strategy are main drivers to achieve performance targets which remain the central goal and deliver exceptionally well in different ways. Strategically, the company endeavors to offer higher value to customers or alternately create equal value at less cost or accomplish both. Porter maintained the argument that OE presents implementing similar activities better than the other industry players. Strategic position, conversely refers, according to (Porter 1996), as performing different activities in comparison to competitors or alternately performing identical activities in different ways. In this context, blue ocean strategy thesis has exceedingly different notions.

Porter (1996) perspective on strategy is in great contrast as against the theory of blue ocean strategy. To put forth this point, Porter argued that competitive strategy refers as being different and purposefully selecting different set of activities to offer unique blend of value. The core of strategy rests in activities that entails; selecting to execute the conventional activities differently or to execute different activities vis-à-vis the competitors. To further strengthen the case Porter (1996) presented three different types of strategic positions. According to him those strategic positions originated from three sources and all being not mutually exclusive. First is *variety-based positioning* which is based on choices of products or services. Second is *needs-based positioning* when customers have different needs and are served with customized set of activities. Third is *access-based positioning* when customers' needs are identical, however approaching them require different set and combination of activities. This position is relatively less common as against the first two strategic positions.

Firm can protect itself from re-positioners and straddlers as explained by (Porter,1996) through trade-offs which generate the need for choices. Emergence of trade-offs have three reasons. Firstly, inconsistency in the firm's image. Secondly, activities generate trade-offs themselves as different positions demand different configuration of activities. Thirdly, emergence of trade-offs take place by placing limits on firm's internal coordination and control. Sustainable advantage is not conceivable in the absence of trade-offs. Porter (1996) maintained the point of view that without trade-offs there is no rationale for strategy as there are no choices. A good idea is vulnerable to copying by imitators in such a situation. Blue ocean strategy thesis negates this perspective of trade-offs. From the foregoing arguments presented by Porter (1996) it is explicit that positioning choices as determined by the firm forms the basis to configure individual activities' relationship with one other.

To achieve high degree of operational effectiveness, firms do emphasize focus on individual activity; however, strategy has focus on homogenized activities. To put a bar for imitators, Fit constructs a barrier. Disassociated activities are important for Fit as they impact each other. Porter (1996) presents three types of Fit; they are different but are not mutually exclusive. First-order Fit is simple consistency. Second-order Fit has the characteristic of reinforcing and third-order Fit focuses on optimization of efforts. While discussing these three types of Fit, the whole is of greater importance rather than the individual parts. It is argued that the *entire system* of activities results into competitive advantage. Substantial reduction in cost or increase in differentiation are the direct outcomes of Fit among the activities. Notably the presence of host of interwoven activities will serve as sustainable advantage for the firm and create daunting challenge for rivals to imitate them. These arguments are in direct contrast with blue ocean strategy thesis. Besides, sustainability advantage can also be achieved by having strategic Fit among many activities. It would be challenging for competitors to match host of interlaced activities and imitate them.

Porter (1996) reiterated through his seminal research that considering strategy in the form of activity system concludes the debate as to why organizational structure, system, and processes are importantly strategy-focused. Additionally, the author expressed that strategic positions spread over decade or more instead of a single cycle plan. Individual activities being fostered on consistent basis combined with strategic Fit across activities serve as a formidable force to develop distinct capabilities and skills focused at promoting the strategy of the firm. After the discussion on the two contrasting theories along with their constructs as presented in the foregoing part, the review study proceeds to draw conclusion which is explained next.

4. Conclusion

The thesis of blue ocean strategy provides the doctrines of strategy which hinges upon making a shift away from being competition-specific to creating market space and rendering competition trivial. BOS doctrines introduced analytical frameworks and tools that could be internalized by the companies to quit the competition arena. This way companies can create blue oceans of unchallenged market space and forces mobilized to out-maneuver the competitors to gain success whereas adherence to red ocean indicates acceptance of impediments related to competition. It denotes refuting to explore the untested new market in the world of business.

The antithesis of the doctrines of blue ocean strategy is squarely competition-specific which entails playing within the defined boundaries of competitive arena and succeeding to out-class the rivals by the use of strategic competitive frameworks and tools. Competitive strategy is different, suggests selecting different set of activities. The cornerstone of strategy is contingent upon selecting and executing conventional activities differently or executing activities which are different from competitors. Strategic position has key importance in strategy context. Re-positioners and straddlers can be barred effectively by having trade-offs which generate the choices. Strategy has focus on homogenized activities. Sustainable advantage can be achieved by having best Fit across activities and serve as formidable force to foster distinct capabilities and skills aiming at promoting the firm strategy.

5. Contributions and Future Directions

This review study is likely to contribute toward augmenting the insight viz epistemology of strategy based on two contrasting theories in the constituencies of academia, practitioners and policy makers. This will provide further impetus in formulating and executing the strategy to realize the quintessential facets of blue ocean strategy thesis and the dynamics of antithesis presented by Porter, in the today's digital economy. The study will provide two strategically different lenses to strategists which will lead them to visualize the implications of two contrasting theories and perspectives critically needed to craft results-oriented strategy. Researchers in the domain of strategy may undertake empirical research to further investigate the two contrasting theories, their application in specific industry in developing economies and may provide conclusive inferences relevant for the prevailing realities and challenges of a global digital economy.

6. Limitations of Study

Despite the fact that through this review study, the author has endeavored to uncover the thesis and antithesis on BOS in some detail by exploring various constructs of the two contrasting theories; nonetheless there are other theoretical perspectives advocated by eminent scholars in the strategy literature having sharply different point of view vis-à-vis BOS which given the scope of the study have not been discussed. Plus, generalizability on this study inferences is not probable.

Informed consent

Obtained.

Ethics approval

The Publication Ethics Committee of the Canadian Center of Science and Education.

The journal and publisher adhere to the Core Practices established by the Committee on Publication Ethics (COPE).

Provenance and peer review

Not commissioned; externally double-blind peer reviewed.

Data sharing statement

No additional data are available.

Open access

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (http://creativecommons.org/licenses/by/4.0/).

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal

References

Kim, W. C., & Mauborgne, R. (2005). Blue ocean strategy: From theory to practice. *California Management Review, 47*(3), 105-121. https://doi.org/10.1177/000812560504700301

Kim, W. C., & Mauborgne, R. (2005). *Blue ocean strategy: How to create uncontested market space and make the competition irrelevant*. Harvard Business Press.

Kim, W. C., & Mauborgne, R. (2015). *Blue ocean strategy, expanded edition: How to create uncontested market space and make the competition irrelevant*. Harvard Business Press.

Kim, W. C., & Mauborgne, R. (2017). *Blue ocean shift: Beyond competition*. Hachette Book Group.

Omae, K. (1990). *The borderless world: Power and strategy in the interlinked economy*. Harper Business.

Omae, K. (1995). *End of the nation state: The rise of regional economics*. Harper Collins.

Porter, M. E. (1996). What is strategy? *Harvard Business Review, 74*(6), 36-55. https://hbr.org/1996/11/what-is-strategy

United Nations Statistics Division [UNSD]. (2002). *The population and vital statistics report*. United Nations.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (http://creativecommons.org/licenses/by/4.0/).