Student’s Name

Professor

Course

Date

**Exam #1**

1. **Nike’s Competitive Advantages**

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Nike Inc. is a multinational organization that is American-based and deals with the designing, developing, and productions of different sportswear, including gears, accessories, sports equipment, and footwear. The products of Nike are subject to be marketed and distributed throughout the planet. The global competition and dynamic business environment assert an essential need for Nike to establish and sustain its superior position through gaining competitive advantages over rivals both on local and international levels. In this context, Nike practices a myriad of strategies; some are elucidated below

* **International Presence:** Nike is an intercontinental brand, and throughout the world, more than 1,180 outlets of Nike are operating in a thriving manner. Nike is persistently investing its endeavors in expanding its global presence through the notion of establishing franchises and outsourcing of suppliers in international markets. The statistics of 2018 depicts that more than 328 clothing and 124 footwear manufacturers supplied Nike through their retail stores.
* **Brand Equity:** Along with a substantial international presence Nike pays additional attention to its brand equity. Through the incorporation of credibility and trust, Nike has established a prominent place among its customers, and in this area, it surpasses all competitors. The underlying idea of customer-orientation and responding to the ever-transforming tastes and preferences of the market allow Nike to claim a superior position among a wide array of competitors. Nike pivots ethical perception and affirms its accountability toward the corporate social responsibility to an admirable extent. All the striving, in turn, reflects as a high brand image and augmenting profits of the business.
* **Innovation:** The modern era of vivid business practices emphasizes on innovative façades of products and services. Innovation is a device through which Nike claims over competitive advantages with more assurance. Nike entertains the requirements of diverse and multinational customer-base, and therefore, permanent modification and innovation according to the fads and trends is vital in the attainment of competitive advantages. Through permeating the efforts of R&D on innovative grounds, Nike substantiates its brand and bottom line simultaneously.

1. **Value Proposition of Peloton**



Peloton is an American-based organization that deals with exercise equipment and also operates as a media company, established in 2012; Peloton situated in New York City. Pelton believes in a straightforward and uncomplicated value proposition and proffers its consumers with a capability that could save their precious time and cost, concurrently. Peloton’s exercise classes make the possibility of energetic and expedient cycling within the premises of a home or any other indoor facilities. Throughout the workout classes, customers absorb the modus operandi either through spinning by learning or experiencing the spinning through Soulcycle or any other similar spin studio. Peloton designed its courses according to different associated features and titled them as “emotional journey,” “primal.” And “tribal.” The charges of classes are subject to be increased along with the opted intensity of energy. On the other hand, Peloton pivots the inclusion of ultra-technological and digitized content to highlight the feasibility and admirability of its products and services. In due course, the efficacy of spinning workout with Peloton increases manifold and saves customers from the hassle of reaching and exerting in personal classes. Peloton suggests and provides a rational and smart solution of spin bike experience by purchasing 1,995 dollars subscription and 39 dollars monthly. Furthermore, through a not-so-expensive and relatively cost-effective package of unlimited Peloton spin ride can be used by the family of the buyer as well; the classes are designed to be paced on live or on-demand options. All such dimensions of Peloton products and services signify its value proposition in the industry.

1. **Business Strategy for Fledging Business**

Market penetration pricing and differentiation are two generic strategies that are effective and advocated for new-born businesses and products. As a new venture, the widget business necessitates a market penetration, which is more important than making profits from elevated prices. The widget business is recommended to employ a pricing strategy that enwraps the idea of the relatively lower prices; the implementation of this tactic will stimulate the demand of the product and attain a sizeable market share. The lower pricing strategy is a perfect adopt for the products that have limited or no competitive advantage. Moreover, the widget business is in its initial phase and, therefore, cannot achieve the economies of scale through increased production volumes.

Along with a low-price strategy, the widget business should implement a stratagem of product differentiation. The generic strategy of differentiation elaborates on the uniqueness of products and services that could distinguish them from other similar products and services in the market. In this context, the widget business should market products that are different and diverse from the other homogenous commodities available in the market. The strategy is pragmatic for small and newly emerged businesses as it proffers a definite competitive advantage over the dominated products and services of bigwig companies.

While planning, devising, and implementing the generic business strategies, it is inevitable for widget business to comprehend the limitations of generic strategy models. Nevertheless, the generic strategic framework comprised of different tactics, yet in order to evade the peril of being stuck in the middle, the organizations should opt for one strategy at a time. According to Michael E. Porter, businesses who practice more than a single stratagem can infuse a notion of misbalancing that, in turn, will obstruct the primary focus of the company and is detrimental in the long term. In order to avoid the stuck in the middle situation, widget business necessitates to pinpoint the middle ground and needs to implement strategies according to the progressing phases of the business alternatively.

1. **Swot Analysis**

Organizations analyze their market, internal, and external position through different managerial and analytical tools such as Porter’s Five Forces Model and SWOT analysis and determine strategic direction. Porter’s model of five forces evaluates the competitive internal and external environment of an industry on a micro-level. On the other hand, Strength, Weakness, Opportunity, and Threat (SWOT) analysis assess the business potential on a macro level. When it comes to developing or adjusting the strategic framework of business, the efficacy of SWOT analysis seems dull and impractical. SWOT analysis presents on generic and cliché dimensions of a company, and the scattered nature of reflected information serves no purpose in developing or reviewing the strategies of a business. Moreover, the macro analytical summary supplied by SWOT analysis obscure the sense of priority, and it becomes difficult for the strategy development team to prioritize a particular façade. And a mere study of strengths and weaknesses or opportunities and weaknesses does not clarify the underlying objectives or yields of such practices. On the other hand, the core elements of SWOT analysis are purely depended on the exposure, experiences, and biases of the analyst, and therefore, the shaky credibility and unstable solidity of the data mitigate the overall practicality of evaluation. Contrarily, Porter’s Five Forces Analysis is an imperative device for comprehending the triggering forces and factors that shape the competition within a specific industry or market, either local or international. The intricate microanalysis through this archetype plays an integral role in adjusting, revising, and developing strategies in accordance with the competitive environment and accelerate the prospect fruition of business endeavors.