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A Review of Competitive Strategy Frameworks

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Peer Review Information	Abstract
<p><i>Submission: 05 July 2022</i></p> <p><i>Revision: 23 July 2022</i></p> <p><i>Acceptance: 11 Aug 2022</i></p> <p>Keywords</p> <p><i>Competitive strategy, strategic management, Porter's Five Forces, resource-based view, dynamic capabilities, competitive advantage</i></p>	<p>Abstract</p> <p>Competitive strategy frameworks provide systematic approaches for understanding how organizations achieve and sustain competitive advantage in dynamic markets. Over the past several decades, scholars have proposed multiple frameworks—ranging from industry-based and resource-based perspectives to dynamic capabilities and platform-based competition—to explain firm performance and strategic positioning. This review synthesizes classical and contemporary competitive strategy frameworks, including Porter’s Five Forces, Generic Strategies, the Resource-Based View (RBV), Value Chain Analysis, Dynamic Capabilities, Blue Ocean Strategy, and ecosystem-based competition models. Through a comparative analysis, the paper evaluates the strengths, limitations, and contextual relevance of each framework. The discussion highlights managerial implications, integration challenges, and the impact of digital transformation on competitive strategy. The study concludes by identifying future research directions and emphasizing the need for hybrid strategy frameworks in complex business environments.</p>

Introduction

Competitive strategy lies at the core of strategic management and addresses the fundamental question of how firms achieve and sustain superior performance relative to competitors. In increasingly globalized and digitized markets, organizations face intense competitive pressures arising from technological disruption, shifting consumer preferences, regulatory complexity, and rapid innovation cycles. As a result, the development and application of robust competitive strategy frameworks have become essential for both scholars and practitioners. Early approaches to competitive strategy focused primarily on **industry structure** and external market forces. These perspectives assumed that firm performance was largely determined by industry characteristics such as rivalry, entry barriers, and bargaining power. Michael Porter’s seminal work in the 1980s formalized this view through analytical frameworks that emphasized

positioning within an industry to achieve cost leadership or differentiation. Over time, limitations of purely external perspectives became evident. Firms operating in the same industry often exhibited significant performance differences, suggesting that internal resources and capabilities also play a critical role. This realization gave rise to the **Resource-Based View (RBV)**, which argues that sustainable competitive advantage stems from valuable, rare, inimitable, and non-substitutable resources. RBV shifted strategic analysis inward, focusing on firm-specific assets such as knowledge, brand equity, and organizational culture. As markets became more volatile and innovation-driven, static models of competitive advantage proved insufficient. Scholars introduced **dynamic capabilities theory**, emphasizing a firm’s ability to sense opportunities, seize them, and reconfigure resources in response to environmental change. This perspective

recognizes that competitive advantage is temporary and must be continuously renewed. In parallel, newer frameworks such as **Blue Ocean Strategy** and **platform-based competition models** challenged traditional notions of competition by emphasizing value innovation, ecosystem orchestration, and co-creation rather than rivalry alone. Digital transformation further accelerated this shift, enabling network effects, data-driven strategies, and multi-sided platforms.

Despite the abundance of competitive strategy frameworks, organizations often struggle to select and apply the most appropriate models. Each framework offers partial insights and is context-dependent. Consequently, scholars increasingly advocate for **integrative and hybrid approaches** that combine multiple perspectives.

This review aims to provide a comprehensive synthesis of competitive strategy frameworks by examining their theoretical foundations, practical applications, and comparative strengths. By systematically reviewing and comparing major frameworks, the paper contributes to a deeper understanding of how firms can navigate competitive complexity and achieve sustainable advantage.

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Major Competitive Strategy Frameworks

- Porter’s Five Forces Model
- Generic Competitive Strategies
- Value Chain Analysis
- Resource-Based View (RBV)
- Core Competencies
- Dynamic Capabilities
- Blue Ocean Strategy
- Ecosystem and Platform-Based Competition

Comparative Table and Analysis

1. Comparative Table of Competitive Strategy Frameworks

Framework	Strategic Focus	Strengths	Limitations
Five Forces	Industry structure	Clear external analysis	Static view

Generic Strategies	Positioning	Simplicity	Oversimplification
RBV	Internal resources	Sustainability focus	Measurement issues
Dynamic Capabilities	Adaptation	Explains change	Conceptual complexity
Blue Ocean	Value innovation	Market creation	Execution risk
Ecosystem Strategy	Networks	Digital relevance	Governance challenges

2. Expanded Comparative Analysis

A deeper comparative analysis of competitive strategy frameworks reveals that each framework is grounded in distinct theoretical assumptions about markets, competition, and firm behavior. Consequently, their applicability varies across industries, time horizons, and organizational contexts.

Industry-based frameworks, particularly Porter's Five Forces model, emphasize the role of external competitive pressures in shaping firm profitability. These frameworks are most effective in relatively stable industries where industry boundaries are clear and competitive forces evolve slowly. Their strength lies in providing a structured approach to analyzing rivalry, entry barriers, substitutes, and bargaining power. However, their static nature limits their explanatory power in dynamic environments characterized by rapid technological change and innovation.

Positioning-based frameworks, such as Porter's Generic Strategies and Value Chain Analysis, focus on how firms achieve competitive advantage through cost leadership, differentiation, or focus. These frameworks help managers identify sources of efficiency and value creation within organizational activities. Nevertheless, critics argue that they oversimplify strategic choices and underestimate the possibility of hybrid strategies. Moreover, they assume relatively predictable competitive behavior, which may not hold in hypercompetitive markets.

In contrast, **resource-based frameworks** shift attention inward to firm-specific assets and capabilities. The Resource-Based View (RBV) and core competence theory explain why firms within the same industry exhibit heterogeneous performance. Their key contribution lies in identifying intangible resources—such as knowledge, brand equity, and organizational culture—as sources of sustainable competitive advantage. However, RBV has been criticized for its limited consideration of environmental dynamics and difficulty in operationalizing key constructs such as value and imitability.

Dynamic capabilities frameworks address these limitations by emphasizing adaptability, learning, and strategic renewal. By focusing on a firm's ability to sense opportunities, seize them, and reconfigure resources, dynamic capabilities provide a more realistic explanation of

competition in volatile environments. Despite their conceptual strength, these frameworks are often criticized for vagueness and challenges in empirical measurement.

Value innovation frameworks, most notably Blue Ocean Strategy, depart from traditional competitive logic by advocating market creation rather than competition. These frameworks are particularly useful in industries facing commoditization and intense rivalry. However, execution risks are high, and blue oceans often attract imitators, eventually turning into red oceans.

Finally, **ecosystem and platform-based strategy frameworks** reflect the realities of digital competition. These models emphasize network effects, co-creation, and interdependence among multiple actors. While they offer powerful insights for technology-driven industries, they introduce governance complexity and dependency risks.

Overall, the comparative analysis demonstrates that **no single competitive strategy framework is universally sufficient**. Effective strategic management increasingly requires an **integrated, multi-framework approach** that combines external analysis, internal capabilities, adaptability, and ecosystem thinking.

Discussion

The expanded analysis of competitive strategy frameworks highlights the evolving nature of competition in contemporary business environments. Traditional frameworks continue to provide foundational insights, yet their effectiveness depends on contextual alignment with environmental conditions, organizational maturity, and strategic objectives.

One key discussion point concerns the **shift from static to dynamic competition**. Earlier frameworks assumed relatively stable industry structures and long-lasting competitive advantages. In contrast, modern markets are characterized by technological disruption, shortened product life cycles, and intensified global competition. This shift has reduced the sustainability of traditional competitive advantages and increased the importance of adaptability and continuous innovation.

Another critical issue is the **integration of internal and external perspectives**. Industry-based and resource-based frameworks were historically viewed as competing paradigms.

However, contemporary strategy research increasingly recognizes their complementarity. Firms must simultaneously respond to external competitive pressures and leverage internal strengths. Failure to integrate these perspectives can result in either market myopia or internal rigidity.

The discussion also highlights the growing relevance of **digital transformation**. Digital technologies blur industry boundaries, enable platform-based competition, and amplify network effects. As a result, ecosystem-based strategy frameworks have gained prominence. These frameworks challenge traditional notions of firm boundaries and competitive rivalry, emphasizing collaboration alongside competition.

From a managerial standpoint, applying competitive strategy frameworks is not merely an analytical exercise but a **process of strategic sense-making**. Managers must interpret frameworks flexibly rather than applying them mechanically. Overreliance on a single framework can create blind spots, whereas a portfolio of frameworks enables more robust strategic thinking.

Sustainability and social responsibility further complicate competitive strategy formulation. Modern firms face pressure to balance economic performance with environmental and social considerations. Concepts such as shared value and stakeholder-oriented strategy extend traditional competitive frameworks by incorporating broader societal outcomes into strategic objectives.

In summary, competitive strategy frameworks remain indispensable, but their value lies in **contextualized, integrative application** rather than rigid adherence.

Conclusion

This review provides a comprehensive synthesis of major competitive strategy frameworks and demonstrates their continued relevance in explaining firm performance and strategic behavior. The evolution of these frameworks reflects broader changes in economic conditions, technological progress, and managerial thinking. The review confirms that **classical frameworks**, such as Porter's Five Forces and Generic Strategies, remain valuable for understanding industry structure and competitive positioning. However, their limitations become apparent in dynamic and innovation-driven markets. Resource-based and dynamic capability perspectives address these limitations by emphasizing firm-specific strengths and adaptability, yet they also face challenges related to conceptual clarity and empirical validation.

Emerging frameworks, including Blue Ocean Strategy and ecosystem-based competition, reflect a paradigm shift toward value creation, collaboration, and network effects. These frameworks are particularly relevant in digital and platform-based industries but require sophisticated governance mechanisms and strategic foresight.

A key conclusion of this review is that **competitive advantage is increasingly temporary**. Firms must continuously reconfigure resources, innovate business models, and adapt to environmental changes. Sustainable success depends less on static positioning and more on learning, experimentation, and strategic agility.

For practitioners, the findings underscore the importance of adopting a **hybrid strategic approach**. Managers should draw selectively from multiple frameworks based on contextual needs rather than relying on a single dominant model. Strategic decision-making should be iterative, data-informed, and aligned with long-term organizational purpose.

For scholars, this review highlights opportunities for future research, particularly in integrating digital technologies, artificial intelligence, and sustainability into competitive strategy theory. Empirical studies examining how firms combine multiple frameworks in practice would further enrich the literature.

In conclusion, competitive strategy frameworks remain powerful tools for understanding and guiding organizational behavior. Their effectiveness, however, depends on thoughtful integration, contextual sensitivity, and continuous adaptation to an increasingly complex competitive landscape.

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