Generic Competitive Strategies

	Cost Leadership	Differentiation	Segment/Niche Focus
Profit Source	Large market share	Price premium and customer intimacy	Repeat business or specialization
Value Drivers	Standardized and con-sistent offering with little product change	Product enhancement to increase buyer value, both genuine and perceived	Novel offering, often highly customized or targeted to narrow niche
Cost Drivers	• Process efficiency • Lean operations • Volume purchases • Bargaining power • Fast inventory turns	• Quality • Service • Workmanship • Materials • Engineering	• Specialized skills • Cutting-edge technology • Deep knowledge of buyer

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