Library Progress International
Vol.44, No.4, Jul-Dec 2024: P. 619-627

Print version ISSN 0970 1052
Online version ISSN 2320 317X

Original Article

Available online at www.bpasjournals.com

A Study of Adoption of Blue and Red Ocean Strategies by organized and unorganized Shops in Thane

Dr. Trupti Desai

Assistant Professor, D. Y. Patil Deemed to be University School of Management, Navi Mumbai, India. Email-trupti.desai@dypatil.edu

How to cite this article: Dr. Trupti Desai (2024). A Study of Adoption of Blue and Red Ocean Strategies by organized and unorganized Shops in Thane. Library Progress International, 44(4), 619-627

Abstract:
The study of the adoption of Blue and Red Ocean strategies by organized and unorganized shops in Thane holds significant importance in understanding the competitive dynamics of the retail landscape in this urban area. As the retail sector evolves, shops face constant pressure to differentiate themselves and capture market share amidst intensifying competition. Organized shops, with their structured approaches and resources, often leverage Blue Ocean strategies to create unique value propositions and explore untapped market segments. Conversely, unorganized shops frequently rely on Red Ocean strategies, competing primarily on price and mimicking successful offerings from their competitors. Analyzing these strategies provides insights into how different types of retail businesses navigate the challenges of a saturated market while attempting to cater to the diverse needs of consumers. Furthermore, this study can inform stakeholders, including policymakers and business owners, about the effectiveness of various strategic approaches in enhancing business sustainability and growth. By examining the practices of both organized and unorganized shops, the research can uncover best practices and potential areas for improvement. Understanding the motivations behind the strategic choices made by these shops can help foster an environment that encourages innovation and customer-centricity, ultimately contributing to the overall economic development of Thane. Additionally, this knowledge can guide small retailers in adapting their strategies to thrive in a competitive landscape, enhancing their resilience against market fluctuations and ensuring their long-term viability.
Keywords: Blue ocean, Red Ocean, organised shops, unorganized Shops, Strategies.

Introduction

Blue Ocean Strategies

Blue Ocean Strategy is a transformative approach to business that seeks to create new market spaces, referred to as "Blue Oceans," where competition is minimal or nonexistent. Unlike traditional strategies that focus on competing within established markets, or "Red Oceans," Blue Ocean strategies encourage companies to innovate and develop unique offerings that meet unmet customer needs. This approach emphasizes value innovation, which is the simultaneous pursuit of differentiation and low cost, allowing businesses to attract new customers while ensuring that existing customers receive enhanced value. By shifting the focus from competing against rivals to creating new demand, organizations can establish a sustainable competitive advantage and drive growth in previously unexplored markets.

The implementation of Blue Ocean strategies involves a systematic process of identifying opportunities for innovation and redefining the boundaries of existing industries. This may include analyzing customer pain points, exploring alternative industries, or rethinking the overall business model. Companies that successfully adopt Blue Ocean strategies often create distinctive value propositions that resonate with consumers, thereby unlocking new customer segments and revenue streams. The essence of this approach lies in fostering creativity and encouraging organizations to think outside the conventional frameworks, ultimately enabling them to navigate market challenges more effectively and achieve long-term success in an increasingly complex business environment.

Red Ocean Strategies

Red Ocean Strategy refers to the competitive approach where businesses operate within established market spaces, or "Red Oceans," where the competition is intense and often brutal. In these saturated markets, companies strive to outperform their rivals by capturing a larger share of existing demand. This strategy typically involves a focus on benchmarking against competitors, improving operational efficiencies, and optimizing pricing strategies. Businesses employing Red Ocean strategies often rely on traditional marketing tactics to attract customers, which can lead to price wars and reduced profit margins as they compete for the same target audience.

While Red Ocean strategies can yield short-term gains, they may also limit long-term growth potential due to the constraints of competing in crowded markets. Companies risk becoming trapped in a cycle of constant competition, where the focus on outperforming rivals can overshadow innovation and customer-centricity. As a result, businesses that solely rely on Red Ocean strategies may struggle to differentiate themselves and adapt to changing consumer preferences. To remain competitive in these environments, firms must continuously refine their offerings and explore ways to enhance customer experiences, but they may ultimately find themselves at the mercy of market dynamics and the actions of competitors.

Comparison of Red and Blue Ocean Strategies

Aspect	Red Ocean Strategy	Blue Ocean Strategy
Market Space	Competes in existing market spaces (saturated markets).	Creates new market spaces (untapped markets).
Competition	High competition; companies strive to outperform rivals.	Minimal or no competition; focus on value innovation.
Strategy Focus	Competing for existing demand; emphasis on market share.	Creating new demand; emphasis on value creation.
Pricing Strategy	Often involves price competition; leads to reduced margins.	Focuses on differentiation and low-cost strategies.
Customer Targeting	Targets existing customers within a defined segment.	Targets non-customers and creates new customer segments.
Innovation Approach	Incremental improvements on existing products/services.	Encourages innovative products/services that redefine the market.
Long-term Growth	May limit long-term growth potential due to market saturation.	Aims for sustainable growth through new opportunities.
Business Environment	Risk of becoming trapped in competitive dynamics.	Encourages a creative approach to market positioning.

In summary, Red Ocean strategies focus on competing within established markets by outperforming rivals and capturing existing demand, often leading to fierce competition and reduced profit margins. In contrast, Blue Ocean strategies emphasize innovation and the creation of new market spaces, enabling companies to differentiate themselves and attract new customers without direct competition. By understanding these differences, businesses can better assess which strategic approach aligns with their goals and market conditions, allowing for more informed decision-making in their growth and competitive strategies.

Literature Review

1. **Kim, W. C., & Mauborgne, R. (2004),** In the research titled “Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant” The authors argue that companies should focus on creating new market spaces rather than competing within existing ones. By pursuing a Blue Ocean strategy, businesses can innovate and create unique value propositions that meet the needs of underserved customers. This approach makes competition irrelevant, allowing organizations to achieve sustainable growth and profitability. The insights provided in this work emphasize the need for strategic thinking that transcends traditional competitive boundaries, advocating for a mindset that embraces innovation and value creation as key drivers of success.
2. **Porter, M. E. (1996),** In the research titled “What is Strategy?” Porter emphasizes the importance of competition and positioning in strategic management. He asserts that firms must make deliberate choices between cost leadership and differentiation to succeed in established markets, highlighting the critical nature of Red Ocean strategies in a competitive landscape. By focusing on outperforming rivals and capturing market share, companies can maintain their competitive edge. Porter's work serves as a foundation for understanding how strategic positioning can lead to

sustained competitive advantage, underscoring the necessity of strategic clarity in navigating complex market environments.

3. **Cennamo, C., & Santaló, J. (2013),** In the research titled "Competition and Strategy in the Digital Age: The Role of Value Creation and Capture" The study suggests that in the digital age, firms must adopt both Blue and Red Ocean strategies to effectively create and capture value. This hybrid approach allows businesses to leverage existing market structures while also exploring innovative opportunities for growth. The authors emphasize the importance of balancing competitive dynamics with a focus on innovation, highlighting that organizations can achieve better performance by understanding the interplay between competition and collaboration in digital markets. As such, companies that embrace this duality are more likely to thrive in an increasingly complex business environment.
4. **Bishop, J. W., & Kauffman, R. J. (2011),** In the research titled "Navigating Red Oceans: The Role of Competitive Advantage in Digital Markets" The authors discuss how organizations in digital markets must navigate the intense competition inherent in Red Oceans. Developing a strong competitive advantage is crucial, as it enables firms to outperform rivals and maintain profitability. The study highlights that in rapidly evolving digital landscapes, businesses must continuously adapt their strategies to remain relevant. By leveraging technology, analytics, and customer insights, organizations can refine their offerings and enhance customer experiences, ultimately strengthening their competitive position. The findings emphasize the necessity for companies to remain agile and proactive in the face of ongoing market disruptions.
5. **Buchanan, L. (2015),** In the research titled "The Dynamics of Blue Ocean Strategy: Implications for New Product Development" Buchanan highlights that successful implementation of Blue Ocean strategies requires a shift in organizational mindset and processes. Companies must prioritize innovation and customer insights to create unique offerings that differentiate them from competitors. The study underscores the importance of fostering a culture of creativity and experimentation within organizations, as these elements are critical to identifying and exploiting new market opportunities. By adopting a customer-centric approach and encouraging cross-functional collaboration, businesses can enhance their capacity for innovation, ultimately leading to more successful product development initiatives that resonate with target audiences.
6. **Hwang, J., & Kim, S. (2019),** In the research titled "The Role of Strategic Innovation in Achieving Blue Ocean Strategy: A Focus on Small and Medium Enterprises (SMEs)"This research shows that SMEs can successfully adopt Blue Ocean strategies through strategic innovation. By focusing on unique value propositions and targeting unmet customer needs, SMEs can compete effectively and carve out niche markets. The authors argue that the agility and flexibility inherent in SMEs enable them to respond quickly to market changes and customer demands, making them well-suited for exploring Blue Oceans. The study emphasizes the critical role of strategic innovation as a catalyst for growth and sustainability, suggesting that SMEs should leverage their strengths to foster creativity and differentiate themselves in an increasingly competitive landscape.
7. **Cottam, H. (2016),** In the research titled "Red Oceans, Blue Oceans, and the Future of Strategic Management" Cottam argues that both Red and Blue Ocean strategies are essential for a comprehensive approach to strategic management. Companies must learn to navigate competitive environments while also seeking new opportunities for innovation and growth. The research underscores that a successful strategy should not rely exclusively on one approach but rather integrate elements of both to maximize potential. By doing so, organizations can enhance their resilience in the face of market volatility and evolving consumer preferences. The findings call for a strategic mindset that embraces adaptability and continuous learning, allowing businesses to thrive amid complexity and uncertainty.
8. **Alavi, S., & Tzeng, J. (2019),** In the research titled "Analyzing Competitive Strategies in Emerging Markets: A Case Study of Blue and Red Oceans" The study concludes that firms in emerging markets face unique challenges and opportunities when adopting Blue and Red Ocean strategies. The authors emphasize the need for adaptability and strategic agility to thrive in both competitive and uncontested markets. By understanding local market dynamics and customer preferences, organizations can effectively tailor their strategies to leverage existing competition while also seeking innovative avenues for growth. The research highlights that in rapidly changing environments, a dual strategy approach can provide firms with a competitive edge, enabling them to capture value in diverse contexts and ensure long-term sustainability.

Research Gap

Despite the extensive exploration of Blue and Red Ocean strategies in the existing literature, a notable research gap remains in understanding the nuanced application of these strategies across different sectors, particularly in the context of emerging markets. While several studies highlight the theoretical frameworks and benefits associated with each strategy, there is a lack of empirical evidence examining how specific industries and organizational structures impact the effectiveness of these strategies. Additionally, existing research often overlooks the dynamic interplay between Blue and

Red Ocean strategies within the same organization and how firms can integrate these approaches to optimize their strategic positioning. Future studies should focus on longitudinal analyses that track the success of firms implementing hybrid strategies over time, as well as sector-specific case studies that provide deeper insights into the challenges and opportunities faced by organizations navigating both competitive and uncontested market spaces.

Research Methodology

The research methodology for the study on the adoption of Blue and Red Ocean strategies by organised and unorganised shops in Thane is structured to address two primary objectives: (1) to study the adoption of Blue Ocean strategies and (2) to examine the adoption of Red Ocean strategies among these shops. A quantitative research design was employed, utilizing a structured questionnaire administered to a sample of 90 respondents from various lines of business, including Apparels, Electronics & Home Appliances, Footwear, Furniture/Home Decor, Groceries & General Products, and Others. The respondents were selected through a convenience sampling method to ensure representation across different business sectors, both organised and unorganised. The data collected included measures related to the adoption and effectiveness of Blue and Red Ocean strategies, with statistical analyses conducted to assess differences between organised and unorganised shops. Descriptive and inferential statistics, including paired sample tests and reliability analyses, were applied to draw meaningful conclusions from the data, thereby providing insights into strategic preferences and their implications for competitive positioning in the market.

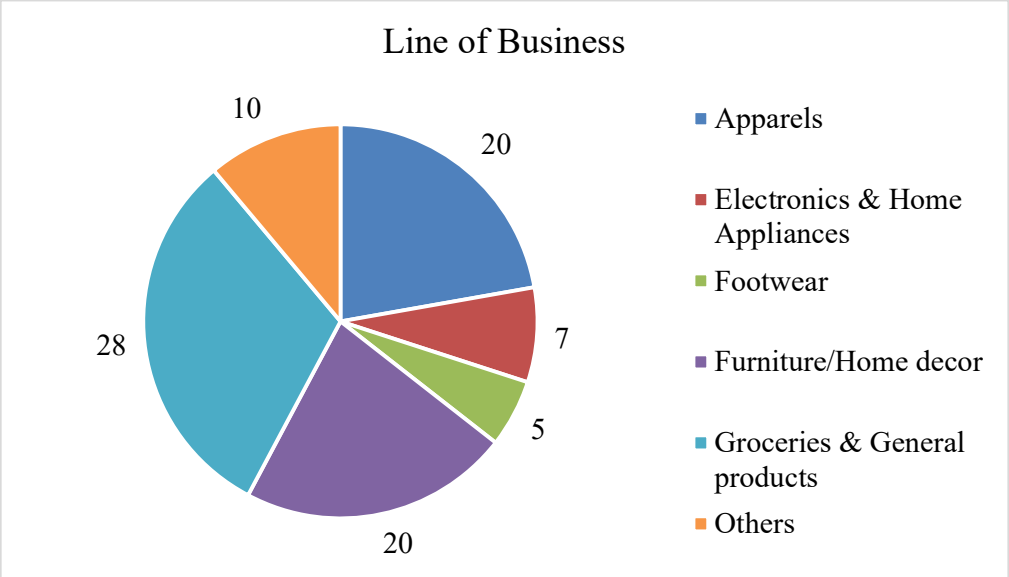
Data Analysis

Demographic Factor

Analysis of Line of the Business of respondents is shown below:

3. Line of the business				
Line of Business	Frequency	Percent	Valid Percent	Cumulative Percent
Apparels	20	22.2	22.2	22.2
Electronics & Home Appliances	7	7.8	7.8	30.0
Footwear	5	5.6	5.6	35.6
Furniture/Home decor	20	22.2	22.2	57.8
Groceries & General products	28	31.1	31.1	88.9
Others	10	11.1	11.1	100.0
Total	90	100.0	100.0	

The frequency numbers indicate the distribution of businesses across various sectors. Out of 90 respondents, the highest frequency is in Groceries & General Products, with 28 businesses (31.1%), highlighting its dominance. Apparels and Furniture/Home Décor each account for 20 businesses (22.2%), showing a significant presence in these sectors. Electronics & Home Appliances have 7 businesses (7.8%), while Footwear comprises 5 businesses (5.6%). The remaining 10 businesses (11.1%) fall under the "Others" category, which represents diverse or unclassified business activities. This data provides insight into the varying levels of market representation among these sectors. The following information is shown below in pie diagram.



Descriptive Statistics

Descriptive statistics are statistical methods used to summarize and describe the main features of a dataset in a clear and understandable way. These statistics provide a simple summary of the data, including measures such as the mean (average), median, mode, standard deviation, and range (minimum and maximum values). Descriptive statistics help researchers understand the central tendency (the typical value), variability (the spread or dispersion of the data), and the overall distribution of data points. They are useful for providing an overview of the data before further, more complex analysis is conducted, allowing for easy comparison and interpretation of different variables.

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Organised Blue Ocean Strategies	90	20	100	76.58	18.438
Unorganised Blue Ocean Strategies	90	20	88	60.13	13.306
Organised Red Ocean Strategies	90	40	84	65.20	10.307
Unorganised Red Ocean Strategies	90	36	100	76.89	16.690
Valid N (listwise)	90				

The descriptive statistics for 90 observations show varying performance across Organised and Unorganised Blue and Red Ocean Strategies. Organised Blue Ocean Strategies have a mean score of 76.58, ranging from 20 to 100, with a high standard deviation of 18.438, indicating significant variability. In contrast, Unorganised Blue Ocean Strategies have a lower mean of 60.13, with less variability (standard deviation of 13.306). Organised Red Ocean Strategies exhibit a mean of 65.20 with more consistency, as indicated by a lower standard deviation of 10.307, while Unorganised Red Ocean Strategies, despite having the highest mean of 76.89, show greater variability with a standard deviation of 16.690. This suggests that unorganised strategies, particularly in Red Ocean contexts, tend to have more varied outcomes.

Objective & Hypothesis

Reliability Test

Reliability refers to the consistency and dependability of a measurement or research instrument in producing similar results under consistent conditions over time. In essence, it assesses the extent to which a measurement tool yields stable and reproducible results. A reliable measurement or instrument is one that consistently measures what it intends to measure, without significant variation or error. Achieving reliability is crucial in research and measurement endeavors, as it ensures that findings are trustworthy and can be confidently used to draw conclusions or make decisions. Various methods, such as test-retest reliability and internal consistency reliability, are employed to assess and enhance reliability in research and measurement practices.

Sr. No.	Variable Name	No. of statements	Cronbach's Alpha Value	Results
1.	Organised Blue Ocean Strategies	5	0.739	Accepted. The scale is valid and reliable.
2.	Unorganised Blue Ocean Strategies	5	0.773	Accepted. The scale is valid and reliable.
3.	Organised Red Ocean Strategies	5	0.796	Accepted. The scale is valid and reliable.
4.	Unorganised Red Ocean Strategies	5	0.739	Accepted. The scale is valid and reliable.

The above table indicates that Cronbach Alpha values for the variables considered for the study are greater than 0.700. Therefore, the test of reliability is satisfied. The conclusion is Likert Scale used in the questionnaire is reliable and accepted.

Objective 1 To Study the adoption of blue ocean strategies by organised and unorganized shops.

To study the above objective following hypothesis is designed.

Null Hypothesis H_{01}: There is no Significant difference in Organised and unorganized shops in blue ocean strategy.

Alternate Hypothesis H_{11}: There is a Significant difference in Organised and unorganized shops in blue ocean strategy.

To study the above hypothesis Paired sample test is applied and obtained.

Paired Samples Test						
	Paired Differences			t	df	P-value
	Mean	Std. Deviation	Std. Error Mean			
Organised Blue Ocean Strategies - Unorganised Blue Ocean Strategies	16.444	20.905	2.204	7.463	89	.000

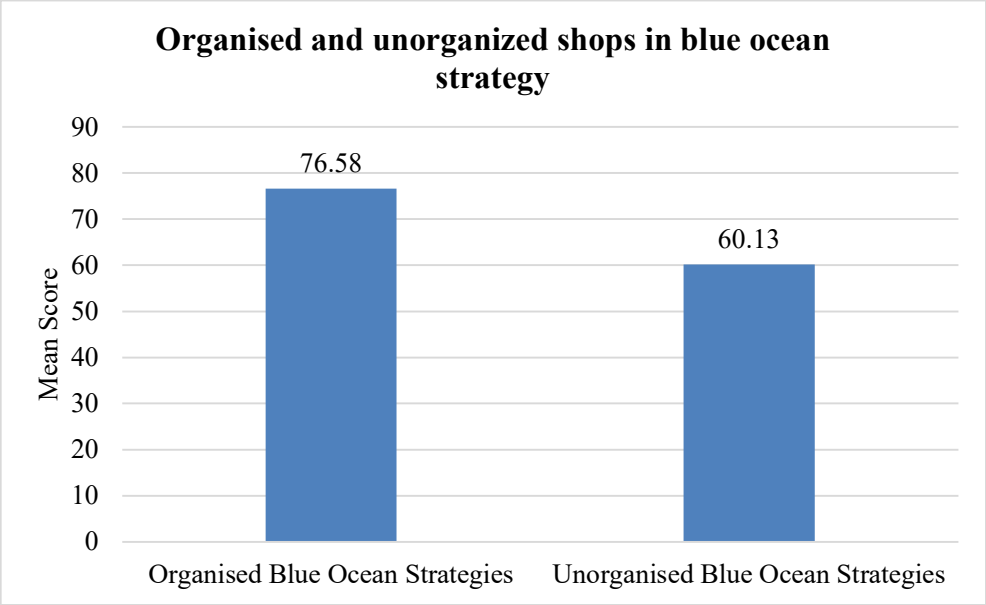
Interpretation: The above results indicate that calculated p-value is 0.000. It is less than 0.05. Therefore, paired sample test is rejected. Hence Null hypothesis is rejected and Alternate hypothesis is accepted.

Conclusion: There is a Significant difference in Organised and unorganized shops in blue ocean strategy.

Findings: To understand the findings of hypothesis, Organised and unorganized shops in blue ocean strategy is obtained and shown below.

Paired Samples Statistics				
	Mean	N	Std. Deviation	Std. Error Mean
Organised Blue Ocean Strategies	76.58	90	18.438	1.944
Unorganised Blue Ocean Strategies	60.13	90	13.306	1.403

The Paired Samples Statistics table compares the mean values of two different strategies, "Organised Blue Ocean Strategies" and "Unorganised Blue Ocean Strategies," across 90 samples (N). The mean score for Organised Blue Ocean Strategies is 76.58, with a standard deviation of 18.438, indicating more variability among the scores. The standard error of the mean (1.944) reflects the accuracy of the mean estimate. In contrast, Unorganised Blue Ocean Strategies has a lower mean score of 60.13, with a smaller standard deviation of 13.306, suggesting less variability. Its standard error of 1.403 indicates a slightly more precise estimate of the mean. These statistics reflect the difference in performance or outcomes between organised and unorganised strategies based on the sample data. The following information is shown below in bar diagram.



Objective 2 To Study the adoption of red ocean strategies by organised and unorganized shops.

To study the above objective following hypothesis is designed.

Null Hypothesis H_{02}: There is no Significant difference in Organised and unorganized shops in red ocean strategy.

Alternate Hypothesis H_{12}: There is a Significant difference in Organised and unorganized shops in red ocean strategy.

To study the above hypothesis Paired sample test is applied and obtained.

Paired Samples Test						
	Paired Differences			t	df	P-value
	Mean	Std. Deviation	Std. Error Mean			
Organised Red Ocean Strategies - Unorganised Red Ocean Strategies	-11.689	17.597	1.855	-6.302	89	.000

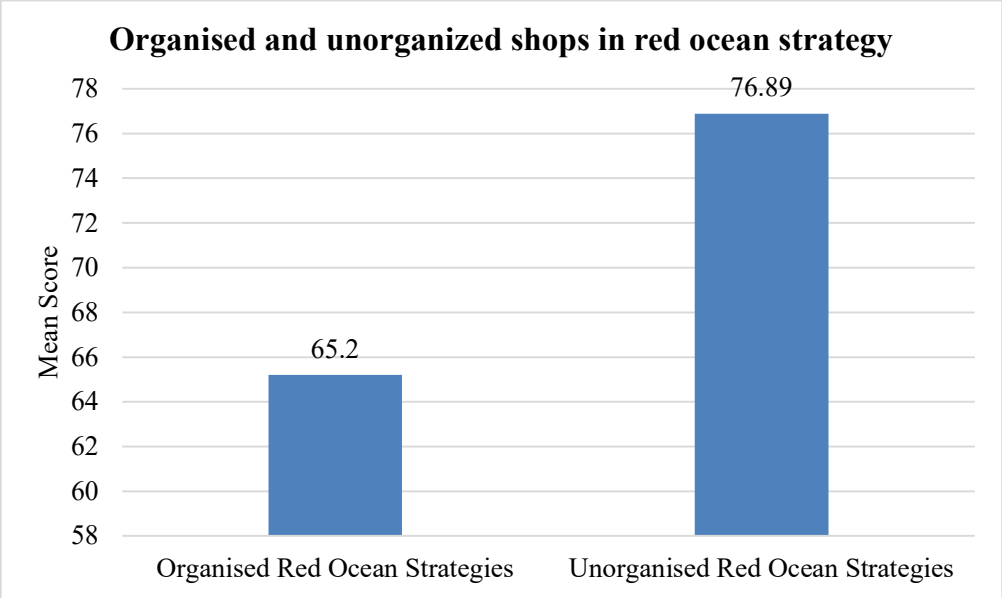
Interpretation: The above results indicate that calculated p-value is 0.000. It is less than 0.05. Therefore, paired sample test is rejected. Hence Null hypothesis is rejected and Alternate hypothesis is accepted.

Conclusion: There is a Significant difference in Organised and unorganized shops in red ocean strategy.

Findings: To understand the findings of hypothesis, Organised and unorganized shops in red ocean strategy is obtained and shown below.

Paired Samples Statistics				
	Mean	N	Std. Deviation	Std. Error Mean
Organised Red Ocean Strategies	65.20	90	10.307	1.086
Unorganised Red Ocean Strategies	76.89	90	16.690	1.759

The Paired Samples Statistics table compares the means of "Organised Red Ocean Strategies" and "Unorganised Red Ocean Strategies" across 90 samples (N). The mean for Organised Red Ocean Strategies is 65.20, with a standard deviation of 10.307, indicating lower variability among the scores, and a standard error of 1.086, showing a relatively precise estimate of the mean. On the other hand, Unorganised Red Ocean Strategies have a higher mean score of 76.89, with a larger standard deviation of 16.690, suggesting greater variability among the scores. The standard error for this group is 1.759, indicating a less precise estimate of the mean compared to the organised strategies. This suggests that unorganised strategies in the red ocean context might have a wider range of outcomes but tend to score higher on average. The following information is shown below in bar diagram.



Conclusion

The use of Blue and Red Ocean strategies among organised and unorganised shops reveals significant differences in strategic approaches and outcomes. Organised shops tend to adopt Blue Ocean strategies, which focus on creating uncontested market space and offering unique value propositions, resulting in a higher mean score of 76.58, indicating effective implementation and substantial variability among practices. In contrast, unorganised shops exhibit lower adoption of Blue Ocean strategies, with a mean of 60.13, suggesting a limited capacity to innovate or differentiate in a crowded marketplace. Conversely, when employing Red Ocean strategies, which emphasize competing in existing markets, unorganised shops achieve a higher mean score of 76.89 compared to organised shops' 65.20. This indicates that unorganised shops may excel in competing on price or established offerings, albeit with greater variability in their outcomes. The findings suggest that while organised shops are more successful in creating new market spaces through innovative strategies, unorganised shops perform better within existing competitive frameworks, highlighting a fundamental divergence in strategic focus that reflects their operational capacities and market positioning.

Bibliography

1. Kim, W. C., & Mauborgne, R. (2004). Blue Ocean Strategy: How to Create Uncontested Market Space and Make the Competition Irrelevant. Harvard Business Review Press.
2. Porter, M. E. (1996). What is strategy? Harvard Business Review, 74(6), 61-78.
3. Cennamo, C., & Santaló, J. (2013). Competition and strategy in the digital age: The role of value creation and capture. Strategic Management Journal, 34(11), 1313-1330. https://doi.org/10.1002/smj.2076
4. Bishop, J. W., & Kauffman, R. J. (2011). Navigating red oceans: The role of competitive advantage in digital markets. Journal of Business Research, 64(9), 982-988. https://doi.org/10.1016/j.jbusres.2010.12.002
5. Buchanan, L. (2015). The dynamics of blue ocean strategy: Implications for new product development. International Journal of Product Development, 21(1), 1-14. https://doi.org/10.1504/IJPD.2015.067724
6. Hwang, J., & Kim, S. (2019). The role of strategic innovation in achieving blue ocean strategy: A focus on small and medium enterprises (SMEs). Journal of Small Business Management, 57(2), 573-590. https://doi.org/10.1111/jsbm.12351
7. Cottam, H. (2016). Red oceans, blue oceans, and the future of strategic management. Strategic Management Review, 12(1), 1-18.
8. Alavi, S., & Tzeng, J. (2019). Analyzing competitive strategies in emerging markets: A case study of blue and red oceans. Emerging Markets Review, 39, 100-115. https://doi.org/10.1016/j.ememar.2018.11.001
9. Morris, M. H., Kuratko, D. F., & Cornwall, J. R. (2013). Entrepreneurship Programs and the Role of the University: A Framework for Evaluating the Effects of University-Based Entrepreneurship Programs. Journal of Business Research, 66(9), 1424-1432. https://doi.org/10.1016/j.jbusres.2012.02.006
10. Witell, L., & Löfgren, M. (2013). The Role of Customer Participation in Value Creation: An Empirical Study of the Swedish Hospitality Industry. Journal of Service Management, 24(2), 173-197. https://doi.org/10.1108/09564231311324520

11. Zhang, Y., & Liu, Y. (2019). How to Compete in Red Oceans: A Strategic Framework for Managing Competition in Existing Markets. Strategic Management Journal, 40(4), 645-663. https://doi.org/10.1002/smj.2923
12. Teece, D. J. (2010). Business Models, Business Strategy and Innovation. Long Range Planning, 43(2-3), 172-194. https://doi.org/10.1016/j.lrp.2010.01.024
13. Rafique, M. A., & Khan, M. A. (2018). Exploring the Role of Innovation in Competitive Advantage in the Retail Sector. Journal of Retailing and Consumer Services, 40, 57-65. https://doi.org/10.1016/j.jretconser.2017.09.006
14. Cano, M. I., & Cañibano, C. (2021). How to Achieve Competitive Advantage in Emerging Markets: A Blue Ocean Perspective. Management Decision, 59(1), 192-207. https://doi.org/10.1108/MD-12-2019-1373
15. Chesbrough, H. (2010). Business Model Innovation: Opportunities and Barriers. Strategic Entrepreneurship Journal, 3(1), 1-17. https://doi.org/10.1002/sej.73