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Title	異業種参入市場における競争優位の源泉 ~ デジタルカ メラ産業に関する事例分析 ~
Author(s)	寺岡,良征
Citation	
Issue Date	2001-03
Туре	Thesis or Dissertation
Text version	none
URL	http://hdl.handle.net/10119/748
Rights	
Description	Supervisor:永田 晃也,知識科学研究科,修士



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## The Source of Competitive Advantage in the Market which Various Types of Business Entered A Study on Digital Camera Industry-

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**Keyword**: The market which various types of business entered, competitive advantage, competitive strategy, the relation between product generations, product knowledge and technical knowledge, a product system view

Recent years, the increase of uncertainty and complexity in industrial structure make the problem that a company faces more difficult. Furthermore, a company is faced with various problems by the trend of the day of computerization and globalization. In such increasing uncertainty, how can an organization maintain its power? What is the capability of the organization that is needed to take suitable action to cope with uncertainty?

To answer such questions, this research explores the source of competitive advantage in the digital camera industry. Digital camera industry is in the growth stage of a product life cycle, and the competition among companies is intense. Moreover, companies in the digital camera industry are diversifying companies that entered in the industry from various industries. Studying an industry in which companies from various industries are competing would offer a new viewpoint in considering competitive strategy.

Here, a market that is constituted by entries from various industries, and the market where competitiveness is not determined by the factors that are dependent on the type of industry is defined as the Market which Various Types of Business Entered . If competitiveness is not determined by the resources or organization form that are specific to the industry which the firm was originally in, it can be said that company-specific factors are the source of competitive advantage.

Though the case study of the digital camera industry, this study aims to clarify the essence of the competitive advantage in the market that various types of business entered. The purpose of this study can be broken down into two:

(1) To examine the competitive advantage in digital camera industry from the viewpoint of competitive strategy, and clarifying the characteristics of the market which various types of business entered.

(2) To identify the organizational factors on which the strategy that creates competitive advantages depends.

In order to explore the strategy of the competitive advantage in digital camera industry, the strategic aspect was clarified by considering the product development trend of each company and the relation among product generations. As for the relation among product generations, this study focused on the changes in product functions and the trend in technical innovations. And, in order to study the product strategy of each company deeply, its competitive advantage was examined from various viewpoints.

Furthermore, the characteristics of the market which various types of business entered were specified by examining competitive strategy. It became clear that a product system view plays an important role due to the heterogeneity among entrants.

Next, the relationship between organization capability and competitive advantage of the entrants in digital camera industry was examined. For that, the framework of product knowledge and technical knowledge was used. The source of the competitive advantage in the market which various types of business entered was explored by examining product knowledge and technical knowledge of the company contributes to its competitive strategy.

From the above considerations, it became clear that there are several competitive dimensions in the functions of digital camera. Especially important are quality and performance and variety of functions. In consideration of these being in the relation of a trade-off, a model to position the product strategies of the entrants is offered. Consequently, it becomes clear that there are two types of strategies, de-maturation strategy and diversification strategy. Since the strategy that inclined toward the quality and performance is on extension of traditional camera industry, it is specified as de-maturation strategy. Since the strategy of functions aims to develop a new market, it is specified as diversification strategy.

Moreover, it becomes clear that the types of the knowledge that is important differ in these two strategies. In the early stages of market entry, although de-maturation strategy can utilize the product knowledge accumulated in the existing matured industry, since technologies differ from the existing product, acquisition of new technical knowledge is needed. Diversification strategy is the process of expanding into a new market, and is difficult to apply the product knowledge of the existing business. Hence, acquisition of product knowledge is needed.

At the stage that a market is formed and expanding, the importance of the knowledge in each strategy changes. In de-maturation strategy, since it corresponds to the needs and environment that it changes with an expansion of a market, it is necessary to transform the product knowledge of the existing industry. Therefore, it is important to create the new product knowledge. In diversification strategy, it is important to gain the technical knowledge that can deal with the accumulated and refined product knowledge.

In this research, it became clear that several types of strategies exist in the digital camera industry, and how companies manage and acquire the knowledge differ according to their strategies. These finding can be applied to examine the competitive advantages of other markets which various types of business entered by examining the competitive dimensions specific to the industry.