



Chapter 6

Business-Level Strategy Decision Making

Strategic Business Unit (SBU) Management



- A strategic business unit (SBU) is designed to maximize operational efficiency and has four key characteristics
 1. It serves a market segment with similar characteristics, enabling targeted application of relevant technologies.
 2. It focuses on a unified product-market group.
 3. It has control over essential operational factors required for success.
 4. It is accountable for its own profitability.



บริษัท โออิชิ (มหาชน) จำกัด



Levels of Strategy



Business-Level Competitive Strategies



- A strategic business unit (SBU) is designed to maximize operational efficiency and has four key characteristics
 1. Cost Leadership Strategy
 - Achieving the lowest production and operational costs.
 2. Differentiation Strategy
 - Creating a unique product or service.
 3. Focus Strategy
 - Targeting a specific market niche.

Business-Level Strategy Framework

A company can approach business strategy from two perspectives



1. Cost Leadership Approach

- Focused on reducing production costs.

2. Differentiation Approach

- Emphasizing uniqueness in products or services.

3. Broad Market Approach

- Competing in a wide market.

4. Niche Market Approach

- Catering to a specialized customer segment.

Strategic Business Unit (SBU)



กลยุทธ์ระดับหน่วยธุรกิจ
Strategic Business Unit or SBU

	มุมมองด้านต้นทุน	มุมมองด้านความแตกต่าง
มุมมองตลาดกว้าง	มุ่งเน้นความเป็นผู้นำด้านต้นทุน (Cost Leadership)	มุ่งเน้นความเป็นผู้นำด้านความแตกต่าง (Differentiation)
มุมมองตลาดแคบ	มุ่งเน้นการตอบสนองตลาดเฉพาะส่วน (Niche Market or focus group)	

Cost Leadership Strategy

This strategy emphasizes achieving a competitive advantage through lower production and operational costs.



1. Marketing Strategy

- Standardized products, price competitiveness, extensive distribution, and high sales volume.

2. Key Advantages

- Protects against price wars, increases profitability, deters competition, and allows price competition with substitutes.

3. Potential Drawbacks

- Technological advancements from competitors, ability to copy cost-cutting methods, and outsourcing to low-cost regions.

Differentiation Strategy

This strategy focuses on making products and services unique, allowing businesses to charge premium prices.



1. Marketing Strategy

- Emphasizes product uniqueness, high-quality perception, and
- strong branding.

2. Key Advantages

- Reduces price competition, builds customer loyalty, and creates a distinctive brand image.

3. Potential Drawbacks

- Difficult to maintain high prices, risk of imitation, and high production costs.

Focus Strategy (Niche Market Strategy)



A niche market strategy targets a specific customer group, emphasizing specialization.

1. Marketing Strategy

- Highly tailored products, strong brand positioning, limited distribution, and premium pricing.

2. Key Advantages

- Creates strong customer loyalty, differentiates from mass-market competitors.

3. Potential Drawbacks

- Small market size, risk of major competitors entering, and challenges in scaling up.



**** By implementing the appropriate business-level strategy, companies can position themselves effectively in competitive markets and achieve sustainable growth. ****



Thank You