EVOLUTION OF GENERIC COMPETITIVE STRATEGIES AND THE IMPORTANCE OF MICHAEL E. PORTER

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ABSTRACT

Generic competitive strategies are considered almost as archetypes in Business Administration, sometimes leading to over simplification of their concepts as well as underestimation of their importance. Since publication in 1980, as part of Michael E. Porter's book Competitive Strategy, the generic strategies of Differentiation, Leadership in Total Cost and Focus have been used in whole or in part, in various approaches, accelerating dissemination of Porter's work and the subject itself. As a contribution to the development of knowledge about generic strategies, extensive research was carried out comparing the best known proposals such as such as the outpacing strategies (GILBERT; STREBEL, 1987, 1989), the value disciplines (TREACY; WIERSEMA, 1995), and the Delta Project (HAX; WILDE, 2001) among others, while adopting Porter's work (1980) as reference. It becomes evident that this work is not only versatile, as confirmed by use in proposals of other authors, but that it remains up to date, influential and can serve as a basis for conceptual advances of more recent complementary proposals and development of unique strategies by organizations.

Key words*: Generic Strategies, Value Disciplines, Delta Project.*

A EVOLUÇÃO DAS ESTRATÉGIAS GENÉRICAS DE COMPETIÇÃO E A INFLUÊNCIA DE MICHAEL E. PORTER

RESUMO

As estratégias genéricas de competição são tratadas na Administração quase como arquétipos, o que, às vezes, pode levar a uma simplificação exagerada dos seus conceitos e à subvalorização de sua relevância. Desde sua publicação em 1980, como parte do livro *Competitive Strategy*, de Michael E. Porter, as estratégias genéricas de Diferenciação, Liderança no Custo Total e Foco foram utilizadas total ou parcialmente em várias abordagens, acelerando a disseminação não só desse trabalho de Porter como do tema em si. Visando oferecer uma contribuição para o desenvolvimento do conhecimento sobre estratégias genéricas, adotamos o trabalho de Porter (1980) como referência e realizamos uma revisão bibliográfica profunda, comparando-o com as propostas mais conhecidas, como as *outpacing strategies*, de Gilbert e Strebel (1987, 1989), as disciplinas de valor, de Treacy e Wiersema (1995), e o Projeto Delta, de Hax e Wilde (2001), entre outras. Com isso, percebemos que o trabalho de Porter (1980) não é apenas simples e versátil, o que se comprova por sua utilização parcial ou integral nas propostas de outros autores, como continua atual, influente e pode fundamentar as evoluções conceituais das propostas mais recentes que o complementam e o desenvolvimento de estratégias singulares pelas organizações.

Palavras-chave: Estratégias Genéricas, Disciplinas de Valor, Projeto Delta.

LA EVOLUCIÓN DE LAS ESTRATEGIAS GENÉRICAS DE COMPETICIÓN Y LA INFLUENCIA DE MICHAEL E. PORTER

RESUMEN

Las estrategias genéricas de competición son tratadas en Administración casi como arquetipos, lo que, a veces, puede llevar a una simplificación exagerada de sus conceptos y a la subvaloración de su relevancia. Desde su publicación en 1980, como parte del libro Compettitive Strategy, de Michael E. Porter, las estrategias genéricas de Diferenciación, Liderazgo en el Costo Total y Foco han sido utilizadas total o parcialmente en varios abordajes, acelerando la diseminación no sólo de ese trabajo de Porter, como del tema. Proponiéndose ofrecer una contribución para el desarrollo del conocimiento sobre estrategias genéricas, adoptamos el trabajo de Porter (1980) como referencia y realizamos una revisión bibliográfica profunda, comparándolo con las propuestas más conocidas, como las outpacing strategies, de Gilbert y Strebel (1987, 1989), las disciplinas de valor, de Treacy y Wiersema (1995), y el Proyecto Delta, de Hax y Wilde (2001), entre otras. Con eso, percibimos que el trabajo de Porter (1980) no es solamente simple y versátil, lo que se comprueba por su utilización parcial o integral en las propuestas de otros autores, como sigue actual, influyente y puede fundamentar las evoluciones conceptuales de las propuestas más recientes que lo complementan y el desarrollo de estrategias singulares por las organizaciones.

Palabras-clave: *Estrategias Genéricas, Disciplinas de Valor, Proyecto Delta.*

1. INTRODUCTION AND METHODOLOGY OF WORK

Competitive generic strategies are almost considered archetypes in Business Administration, thanks mainly to the popularization of Michael E. Porter's work included in the book Competitive Strategy, published in 1980. It is followed by works from internationally renowned authors such as Gilbert and Strebel (1987, 1989), Treacy and Wiersema (1995), Mintzberg (2001) and Hax and Wilde (2001), among others, whom even criticizing Porter's work accepted or used his concepts in their arguments. Since there are several references to Porter (1980) in these approaches, we found relevant to clarify the most important aspects, including:

Is Porter's (1980[1]) influence really significant?

Are the differences in approaches relevant?

Do the generic strategies developed by the several selected authors exclude each other?

To answer these questions, we conducted an exploratory work supported by an extensive review of works from the abovementioned authors. Given that Porter's work (1986) is the pioneer, and mentioned by all of them, we adopted his book Competitive Strategy as a reference for the analysis of further approaches. Although there are several other works from the abovementioned authors, we focused on these following books: The strategy process (MINTZBERG, 2001), The Discipline of Market Leaders (TREACY; WIERSEMA, 1995) and The Delta Project (HAX; WILDE, 2001). The exception was the work of Gilbert and Strebel (1987, 1989), focused on two articles: Strategies to outpace the competition and From innovation to outpacing. What the selected papers have in common is that they are highly focused on the management guidance rather than on the academic discussion, and the choice for these books is due to the larger attention dedicated by the authors to present their ideas, although other studies were incorporated into this work according to our needs.

In order to facilitate the argumentation, part of the comments and conclusions was distributed throughout the text, leaving the aspects that require special attention to the final considerations. Empirical works leading to the preference of a particular author were not conducted, but considering the longevity, simplicity, comprehensiveness, and the objective of the study, Porter's approach (1986) stands out, particularly when comparing between different proposals. The purpose of this paper was not to create a model, but to offer a critical approach to beginners and proficients on the subject. We expect that by our comparisons, and by going beyond the traditional and critical quotations regarding Porter's work (1986), we may contribute to the approach of generic strategies in organizational and academic practices, especially with regard to educational applications.

We will observe throughout this paper that the approaches complement each other in the creation of guidance for companies to configure themselves to compete and attract agents to their business networks.

2. GENERIC STRATEGIES

The vitality of a theoretical work is evidenced by the test of time and its exposure to criticism, utilization, adaptation and development by other researchers. The competitive generic strategies proposed by Porter (1986), probably the most widely known among the generic strategies and perhaps already in the category of archetypes, are a taxonomic work easy to understand and apply. However, its apparent simplicity left flanks open to criticism regarding the aspects not covered in depth or not properly emphasized. Therefore, it is worth questioning if almost three decades after its publication this work still remains valid and appropriate, or if more recent studies that have benefited from developments in other disciplines would not be more suitable for use as a reference. It is therefore important to follow its evolution and study the different approaches.

In a formal or informal way, rational or intuitively, companies adopt ways to compete that are appropriate to their environments and purposes, but the search for the best way, suitable for any firm and circumstance, is constant and it could, if found, simplify strategic processes. Evidences of the search for generic strategies are found in the Positioning School, which along with

[1] *From this point the reference will be made to the Brazilian edition published in 1986.*

the Design (SWOT) and Planning School form the basis of the most common strategic planning processes (MINTZBERG, 1994, 2000). The Design School is described by Mintzberg as "designing" unique and appropriate strategies for each firm and its circumstances, while the Planning School would have adopted concepts from the Design School, but sacrificed the content in favor of form, replaced the conceptual freedom by control and the concern with strategy by the concern with plans. The Positioning School, which according to Mintzberg (1994, 2000) has in Ansoff and Porter two of their exponents, emphasized the importance of strategy to business at the same time it added analytical consistency to it. However, Mintzberg (2000, p. 69) understands the process of this school as focused on "the selection of generic strategic positions rather than on the development of integrated and uncommon strategic perspectives (such as the Design School) or on the specification of coordinated sets of plans (such as the Planning School)".

Generic strategies, so called because they can be used by any firm, albeit in the same industry or strategic group, have been suggested by several renowned authors, with different motivations, purposes and configurations. The growth strategies by Ansoff (1965), for example, focused on the need to offer alternatives for companies to grow. He considered this to be possible by the combination of business/products and markets, focusing his conception on two main aspects: the gap between the objectives intended and the real position of the firm and the existence of synergy between the businesses. From the gap between real situations and the ones intended by the firm, strategies of intense and diversified growth, that do not exclude each other, were suggested, known as vectors of growth, which would eliminate such difference. Intense growth strategies include market penetration, business/product development and market development. Diversified growth includes the simultaneous development of new businesses/products and new markets, with a combination of business/products that could have synergy or not.

Although they were not explicitly defined as generic strategies, the works started in the 1960s and known as PIMS (Profit Impact of Market Strategies) were close to it. Approximately 30 variables from countless companies and industries were identified and grouped in these works, which could explain 75 to 80% of the differences in profitability. The variables were grouped into nine categories: intensity of investments, productivity, market position, growth of markets served, quality of products and services offered, innovation and differentiation, vertical integration, cost policy and current strategies (HEDLEY, 1984). The common strategic ways were indicated by the correlations found. Its creator, Sidney Schoeffler, argued that "the situations of all companies are basically similar, in obedience to the same market laws", so that "a trained strategist is able to effectively operate in any business" (1980 in MINTZBERG, 2000, p. 80). Thus, characterizing the search for the best common way.

Although growth strategies (ANSOFF, 1965) and the PIMS studies (SCHOEFFLER, 1980) may be generic strategies, as they suggest common ways to several companies, we focused on competitive generic strategies, as they are the references to the definition of organizational attributes related to sustainable competitive advantages.

The competitive generic strategies defined by Porter (1986), differentiation, overall cost leadership and focus, are associated by him to the structures of industries in which companies are included, to which he proposes a model of analysis that would assess their profit potential, basis for the definition of its attractiveness as a result of the effect of all the forces acting on them.

The structural analysis of industries, as Porter (1986) suggests, evolved from works on Economics about environmental relations, corporate behavior and performance. In the 1950s, the industry approach followed the S-C-P (structure, conduct, performance) model, by which the companies' actions and performances were defined by the industry structure (Figure 1). The work of Chamberlin (1933), Mason (1939) and Bain (1956) greatly contributed to this approach. At that time, firms were seen as passive agents, which has changed with the work of Porter and Caves (1976); Caves and Porter (1977), Porter (1979, 1986, 1987, 1989 and 1996) and Caves (1980 and 1984) when people started to admit that strategies, although influenced by industry structures, also influenced these structures.

Figure 1: Structure-Conduct-Performance Model

Industry structure		Firm's conduct		Performance
• Number of competing firms • Homogeneity of products • Cost of entry and exit	⇨ ⇦	• Strategies firms pursue to gain competitive advantage	⇨ ⇦	• Firm level: competitive disadvantage, parity, temporary or sustained competitive advantage • Society: productive and allocative efficiency, level of employment, progress

Source: BARNEY; HESTERLY, 2006, p. 39. Edited by authors.

The sequence of Figure 1 started to indicate trends in the opposite direction (⇦), by which companies, as individual entities, could influence the structure of industries by their actions. The difference between the two approaches can be explained by the difference in the research units adopted: the industry, for Economics studies, and the individual firm, for Business Policy studies (PORTER, 1981).

The industry analysis model proposed by Porter (1986) takes into account the action of five forces: the rivalry among competitors, the threat of entrants and substitutes and the bargaining power of suppliers and buyers, although a few authors suggest the existence of a sixth force. For Ghemawat (2000), it would be the level of cooperation of complementors, which importance is emphasized by Hax and Wilde (2001), but not suggested as such. For Besanko, Dranove and Shanley (2000) the sixth force would be Government's action, which as a regulatory agent influences the sectors' results. Although they argue that the industry analysis model proposed by Porter does not include relevant aspects such as the changes in individuals' income and the effect of advertising on consumption, in addition to quantity limitations, Besanko, Dranove and Shanley (2000) find it useful to evaluate trends. It is worth mentioning that a few macro-environmental effects that impact the competition in the industry are present, albeit indirectly. They appear, for example, when analyzing the reasons why the intensity of the rivalry between companies in the industry varies, impacted by the level of market growth (activity). Therefore, it is worth considering a set of structural – Porter's concern (1986) – and circumstantial elements that influence the profit potential of the industries.

The industry structure is relevant for the strategy because firms build social networks that influence the exchange of resources and capabilities between them (GRANOVETTER, 1985) and the superposition of agents in one sector facilitate or hinder the formation of value systems that are reflected in the offerings to the market. Thus, Besanko, Dranove and Shanley (2000) make a distinction between the approaches of Porter (1986) and Nalebuff and Brandenburger (1996). For them, the latter see other firms as positive or negative elements, depending on their interests and the level and quality of their interactions, and not only as threats to profitability.

The importance of the industry analysis should also be emphasized because generic strategies, according to Porter (1986), only offer higher gains if they are sustainable in relation to competitors of an attractive industry and have acceptable entry costs. According to Porter, "Competitive strategy aims to establish a profitable and sustainable position against the forces that determine industry competition" (1989, p. 1). Thus, there is a combination of external (industry level) and internal (search for competitive advantage) approaches.

3. COMPETITIVE ADVANTAGE AND VALUE CREATION – THE IMPORTANCE OF STRATEGY AND RESOURCES

We can say that companies' success depends on the strategic competitiveness, achieved when it develops and puts into practice successful strategies not easily reproducible in the generation of value (HITT, IRELAND, HOSKISSON, 2003). These strategies may include specific features and individual combinations of products and markets that give them a strong competitive position (ANSOFF, 1965) being secured when other companies do not perceive them, fail or give up imitating. "The competitive advantage can be seen as the objective of firm's actions [...] explain the observed diversity among [them...] and [...] the success or failure in the international competition" (RUMELT; SCHENDEL; TEECE, 1994 in VASCONCELLOS; BRITO, 2004, p. 71). However, authors related to RBV (Resource Based View) consider competitive advantage to be more dependent of the firm's set of resources than of the strategies developed (BARNEY, 1986, 1991; DIERICKX; COOL, 1989; PETERAF, 1993 in VASCONCELLOS; BRITO, 2004).

RBV has its roots in Economics and is supported by the principles of heterogeneity of firms and the imperfection in the mobility of resources between them. Resources are factors that can be classified as companies' strengths and weaknesses, such as abilities, assets, processes and knowledge (BARNEY, 1991) and may be tangible or intangible assets (physical, human and organizational). For Mathews (2002, p. 38), based on Marshall, the "[…] firms derive advantages not just from the resources they embody themselves, but also from resources external to the firm to which the firm can secure access" (italics in original), which increases the importance of the configuration of networks in which the companies will be included. Several authors establish some conditions for resources to offer benefits to the companies, sometimes juxtaposing. They must be valuable, rare, difficult to copy precisely and irreplaceable (BARNEY, 1991); they must have great durability, transparency, transferability and replicability (GRANT, 1991); they must be impossible to copy, durable, appropriate, irreplaceable and offer superior performance (COLLIS; MONTGOMERY, 1995); and have value, barriers to duplication and appropriability (AMIT; SCHOEMAKER, 1993).

To assess the level of competitiveness sustained in strategic resources, Barney and Hesterly (2006) suggest the use of the VRIO (value, rarity, imitability and organization) structure. In this structure, the value of firm's assets, its rarity, difficulty to copy and replace and the organization characteristics and actions to their operation will define whether these resources represent an advantage, disadvantage or competitive parity. While the generic strategies proposed by Porter (1986) reflect companies' characteristics in a taxonomic manner, Barney (1991) argues that a few set of resources automatically lead to a competitive advantage (differentiation or cost leadership), while other sets allow the option for some of them. If according to RBV competition is mostly seen among production systems rather than among products, and success depends on the differences resulting from the configuration and implementation of these systems, supporters of the positioning argue that it is worth considering the positions of the industries and the firms within these industries (PORTER, 1979; CAVES, 1984), but Porter (1986, p. 146) emphasizes that "The strength of a firm's position in its group is the result of its history and the skills and resources available to it." Apparently conflicting, these are complementary approaches, differing in emphasis and priority: the strategic value of the resources depends on the industry concerned, while the industry concerned demands appropriate sets of resources. It is possible to find attractive industries where the resources available can be used or identify appealing industries and search for the resources required to compete in them. In any case, the resources and the strategic way in which they are managed are crucial to the development of competitive advantage and make the firms distinct.

The competitive advantages are specific to each firm and can be determined over another firm, a group of firms, a strategic group or an industry (KAY, 1993). Since they have to prove themselves in the market by their value to the customers, the competitive advantage is usually reflected in lower prices or uniqueness. Although the generic strategies of cost leadership and differentiation have been popularized by Porter (1986), it should be noticed that the concern with the differentiation of the offer and the practice of low prices is older.

Both the overall cost leadership and the differentiation go back to the first half of the last century, to the experience and learning curve studies, in the first case, and to the reduction of the importance of price competition in the second. For Schumpeter,

> *[what counts is] the competition from the new commodity, the new technology, the new source of supply, the new type of organization [...] competition which commands a decisive cost or quality advantage and which strikes not at the margins of the profits and the outputs of the existing firms but at their foundations and their very lives. (1975, p. 84).*

In his works on Marketing, at that time an emerging discipline, Alderson (1957) argued that the heterogeneous market principle was based on the fact that an individual's needs are different from the others, on a different approach to the economic view of homogeneous markets. Hence, he proposed that the "differentiation of products and services is the key to defining the values created by marketing [...] Thus the basic economic process is the gradual differentiation of goods [...]" (1957, p. 69). In the same line of reasoning, Ansoff (1991) argues that the concern with prices is important in the microeconomic theory, which is based on the indifferentiation of offers and on the search for consumers by minimizing the costs, supported by accurate information. According to him, since the 1950s, consumers started looking for products that met their greatest expectations, giving opportunities for the differentiation of products and services and making it difficult to assess the units of satisfaction of microeconomics.

A sustainable competitive advantage can then be based on initially conflicting positions, of low-cost or exclusivity, impacted by the set of industry competitive forces. As these forces act on the entire industry, the companies' level of success depends on their structural differences to face these forces and develop sustainable competitive advantages, supported by strategies and resources. After selecting an attractive industry, the competitive advantage to be offered is defined within the restrictions that it may impose, and the configuration criterion of the firm is established.

4. COMPETITIVE GENERIC STRATEGIES – APPLICATIONS AND EVOLUTION

A sustainable competitive advantage is what ensures the above-average performance for long periods. For Porter (1989, s/n, Preface), it "[…] grows fundamentally out of the value a firm is able to create for its buyers. It may take the form of prices lower than competitors' for equivalent benefits or the provision of unique benefits that more than offset a premium price." Based on the competitive advantages, he configures three generic strategies with their own objectives, characteristics and demands: differentiation, overall cost leadership and focus. The first two are strategies intended to operate in the broad market, serving various segments but without establishing actions to any in particular, and the third is guided to specific segments, meeting their particular needs with proposals for differentiation, cost leadership or a combination of both. These strategies are defined as generic due to the fact that they can be adopted by several firms within the same industry or strategic group. However, if several firms adopt the same strategies, based on the same elements, they may become similar and compromise the profitability of all of them, converting the price into the decisive factor of purchase.

The generic strategy of differentiation seeks to add to the offer characteristics of products and services valued by consumers so that they are willing to pay premium prices for it. The profit of differentiated companies depends more on premium prices than on the higher sales volumes that could be achieved with lower prices. Thereafter, Porter (1989, p. 113) expanded this guideline stating that "Differentiation allows the firm to command a premium price, to sell more of its product at a given price, or to gain equivalent benefits such as greater buyer loyalty during cyclical or seasonal downturns," which may leave the impression that "anything goes". This is partly true, but since the generic strategies can be used as reference to unique strategies, the details and characteristics conferred to the firm may indicate its real strategic configuration. The industry dynamics and the positions in the life cycle curves of products and businesses may allow the business continuity through differentiation, even with less attractive margins. In addition, the cost-benefit interpretation *is applicable to any level of products, services and prices, and the firm must assess its relevance.*

In the overall cost leadership, the firm seeks the lowest total cost of the industry, including production and distribution costs, obtaining its profit through large sales volumes and practicing prices close to those of its competitors, with lower costs based on production scale and learning curve, and reduced unit margins.

The focus strategy on one (or few) segment(s) allows the firm to concentrate its action and choose the strategy of differentiation, cost leadership or a combination of both, for such segment(s). Therefore, the firm is able to better serve customers that were not properly served by firms in the broad market, but it must resist the temptation to expand sales to other segments and lose focus. Deliberately, the firm gives up larger volumes. According to Porter (1989, p. 13), in the focus strategy, "The target segments must either have buyers with unusual needs [...]", which gets close to the definition of niche market: consumers with "[…] distinct and complete set of needs […that] will pay a premium to the firm best satisfying their needs" (KOTLER, 1997, p. 251). When thinking of focus and unusual needs it is easy, for example, to think of Rolls-Royce cars, Bang & Olufsen sound systems or Patek Philippe watches, followed by a very small group of consumers, a niche by definition. However, there are huge groups of customers that require (and deserve) specific strategies. Until recently, Casas Bahia [a Brazilian Retail Chain], for example, clearly focused its offers to social and economic classes C and D. Although they can be categorized (without considering other dimensions for segmentation) as two segments, or one (low-income consumers as a dominant characteristic), these classes form a group very distinct from the concept of niche as a result of the repeated partition of a segment (KOTLER, 1997). However, Casas Bahia adopted an exclusive strategy and a single marketing mix, characterizing the orientation to a specific group of consumers.

The focus strategy is not clear. In fact, Porter (1986, p. 52) mentions three possibilities of focus: "[…] a particular buyer group, segment of the product line, or geographic market". Except for the consumers group, the other possibilities may have different and difficult interpretations. For example, how to relate the segment of a product line with the consumers' segments? Is it possible to have only one product for a broad market? If yes, how to distinguish it from the differentiation? How about a geographic area set to a range of products and/or customers? It may be easy to accept that by setting a firm to serve a group of customers in Brazil is different from setting a firm to serve a group of customers from a wider and more distant region, such as the Eurozone, for example, but it can be difficult to explain how the segments of customers in these regions, and other characteristics of purchase behavior will be approached, requiring a deep and combined analysis of possible alternatives of focus. Sometimes the size and the characteristics of segment(s) of product(s) considered already contain(s) the characteristics that guide the choice for differentiation or cost leadership. If a firm chooses a sophisticated line of watches, it will be defining, albeit in a simplified form, the characteristics of its customers segment. Therefore, we believe that the definition of focus is only clear on the group of customers to be served.

Each generic strategy requires a specific set of characteristics (and resources). Cost leadership requires the aggressive construction of facilities for high production volumes, the pursuit of cost reductions through learning and experience, a strict control of costs and general expenses, cost reduction in areas such as research and development, technical support and sales force and a low cost distribution system. In differentiation, the firm's reputation as a quality or technology leader, strong cooperation from channels, great marketing skills, product engineering and basic research are very important (PORTER, 1986). Porter (1996) emphasizes that as strategically important as deciding what to do is to define what not to do, which leads companies to trade-offs between incompatible positions. In generic strategies, by not making trade-offs, due to the conflicting demands of each strategy the firm would be stuck in middle. With respect to that, one of Porter's most repeated sentences is that "Being 'all things to all people' is a recipe for strategic mediocrity and below-average performance, because it often means that a firm has no competitive advantage at all" (1989, p. 10). The firm would be in disadvantage in the competition with companies that clearly go for low cost or exclusivity, as it would not be able to develop an offer cheap enough to appeal to price-sensitive *consumers, or exclusive enough to attract sophisticated ones. Since costs, prices and configurations would not be adjusted to specific targets, the profit potential would be adversely affected. We considered the reference to mediocrity to be exaggerated, although it is from Porter himself, as it was also mentioned by him that "Differentiation allows the firm [...] to sell more of its products at a given price, or to gain equivalent benefits [...]" (1989, p. 113), which allows certain flexibility. The success of a firm stuck in the middle, however, is possible if "[…] competitors are [also] stuck in the middle [and] none is well enough positioned to force a firm to the point where cost and differentiation become inconsistent" (PORTER, 1989, p. 16). Still, even by not reaching, or losing customers at both extremes (exclusivity and price sensitivity), the total revenue can be attractive and justify the strategic choice, which also depends on the firm's competitive positioning and the price policy adopted (KOTLER, 1997). Another statement of Porter is, in our opinion, more consistent: "The firm stuck in the middle is almost guaranteed to have low profitability" (1986, p. 55. Italics added) because the structures and processes are inappropriate for the achievement of a determined competitive advantage. It is not impossible, therefore, for a firm to operate with the three forms of strategy at the same time, depending on the industry's characteristics and the organizational capacity of the firm.*

Porter says that for firms that achieve both cost leadership and differentiation "[…] the rewards are great because the benefits are additive […]" (1989, p. 16). In this case, however, we see the strategic choice for differentiation (premium prices) with cost leadership in the background. Hewlett-Packard, for example, is a firm perceived as differentiated by the quality of its products and its innovation capacity. Its share in the global market of printers (around 50%) grants benefits of scale that would presumably allow it to operate as a cost leader, but its image is sustained by innovation and quality which guarantee the practice of premium prices, increasing the positive results with the scale of production. Logically, better products and services attract more consumers, which in principle would be an indicator of success. But sometimes, it may be necessary to avoid the vulgarization of products, brands and the firm itself, especially in cases with focus on differentiation, when the firm voluntarily gives up larger volumes. A few years ago, for example, the Fiat Group, aiming to increase revenues in the category of exclusive vehicles, limited the production of Ferrari, to protect the aura of the brand, and increased the production of Maserati.

The simultaneous adoption of different generic strategies can be made by companies organized into business units, divisions or product categories, separated or not. An example is the hotel chain Accor, which operates units from the economic (Formule 1) to deluxe (Sofitel) categories, the Brazilian banks Bradesco and Itaú, among others, which manage regular and premium accounts, and automakers, such as Fiat and Volkswagen that have divisions for popular and exclusive brands.

As we will see next, even with its imperfections, the generic strategies above were mentioned or included in the proposals of several authors.

5. THE GENERIC STRATEGIES OF MINTZBERG

Mintzberg (2001) approached the generic strategies comprehensively, taking as its starting point the works of Porter (1986) and Ansoff (1965). According to him, the generic strategies should follow a logical sequence that starts at the creation of the business (locating), when the firm will make a move towards the stage of operations (primary, secondary or tertiary), observing the demands and constraints of its specific business segments (industry analysis). After that, the configuration of the firm must be set to compete (distinguishing – the competitive advantage to pursue) in a broad or segmented market, structuring its activities chain for the strategies of cost leadership or differentiation. Mintzberg (2001) discusses a few elements that characterize the way a firm competes, different from Porter, emphasizing aspects such as quality, design, support, image and prices. In general, the approaches are similar, because the elements mentioned by Mintzberg (2001) can be defined in accordance with the strategy of differentiation or cost leadership. For Mintzberg (2001), choosing not to be different is a strategy, a way to structure itself to compete, even if the firm does not stand out from competitors: at this stage, the firm is setting itself to compete and being equal to the others is a way to do it.

Having identified where and how to compete, Mintzberg (2001) adopts the growth strategies of Ansoff (1965), dividing them into development strategy (elaborating) and business extension (extending). He thinks that the intensive growth strategies (market penetration, product development and market development) apply to the core of the existing business, by working on common elements such as the market or configurations of the same business, while in the diversification there is the pursuit of different business and markets, with or without synergies. So he shifts the diversification strategy proposed by Ansoff to the extending phase of the business and at that phase it explores the internal development of new business or structures as well as the merger and acquisition alternatives. Eventually is time for the firm to reformulate itself (reconceiving), in an attempt to reconfigure the business, reset the firm or change its core business. Therefore, despite the interesting overall approach, out of the five generic strategies proposed by Mintzberg (2001): locating, distinguishing, elaborating, extending and reconceiving, we highlight the aspects of industry structure, regarding the definition of the value chain and how to compete (distinction), which resemble Porter's view (1986) to adopt competitive generic strategies in accordance with the industry competitive forces.

6. THE COMBINATION OF INNOVATION AND PRODUCTIVITY BY GILBERT AND STREBEL

As markets mature, offers tend to be similar, making the appearance or the continuity of different solutions difficult and often leading companies to use a combination of strategies. Based on that, Gilbert and Strebel (1989) argue that the choice for competitive advantage can emphasize the perception of product value and cost reduction [as proposed by Porter (1986)], but it is possible to compete in those two ways [which according to Porter (1986) is not impossible]. Similarly, to a certain extent, Thompson and Strickland (2000) admit the balance between differentiation and cost leadership in the "best cost" strategy. According to Gilbert and Strebel (1989), the firms need to have the ability to innovate, to group multiple benefits within a competitive package, deliver it at competitive prices and do it simultaneously. For them:

> *Companies that specialize in either product or cost leadership have difficulty shifting their emphasis. When such shifts have to be implemented in rapid sequence, not to mention simultaneously, the one-dimension strategists have a hard time making ends meet. (1989, p. 20).*

They suggest two transition ways between the two strategies: the standardization of products and services, which "marks the transition from a high perceived value strategy to a low delivered cost strategy" (1987, p. 29), and rejuvenation (transition in opposite direction). "Standardization occurs when product characteristics that were once considered unique become commonly accepted and expected" (1987, p. 29) as a result of the emergency of a standard set by the market (purchasers have a clearer idea of how products should be, and their value). Therefore, companies need to focus on processes and costs reduction that offer them the flexibility required when prices become the determinants of a purchase. In the rejuvenation process, the path is reversed and the creation of value leads to products' customization to specific segments, with more incremental changes rather than fundamental. The best strategy, according to Gilbert and Strebel (1987, 1989), combines rejuvenation and standardization, as necessary, which would mean an outpacing strategy. The adoption of the best strategy combined or based on cost or features, can be done step by step as a result of learning. They mention the example of Japanese firms, who entered the U.S. market with a low-cost strategy and years later, with enough financial resources obtained from sales of large volumes, improved their products. We believe such evolution is feasible long-term, but the instance of the Japanese companies may not be unquestionable. Although they have achieved significant sales volumes, supported by productivity, and then the recognition of the quality and inventiveness of its products for the rejuvenation, the prices of the luxury vehicles Lexus (Toyota group), for example, remain lower than German equivalents, perceived by the market as more differentiated. If Japanese companies offer the best cost-benefit ratio based on tangible elements, the Germans are able to succeed based on tangible and intangible elements. However, it is worth to remind that, according to Porter (1986) both companies are differentiated, ranging in the differentiation level. In a demonstration of the market dynamism, we must consider the statement of Norbert Reithofer, BMW's CEO, that in five years it could be "Lexus that we will be most busy competing with" (EDMONDSON, 2006) instead of Mercedes-Benz. Given that one of the risks of the differentiation strategy is related to the perception of value (PORTER, 1986), the exaggerated difference of prices between the brands may accelerate this process.

It is expected that a differentiated firm always have products ready to be launched if a group of products lose their appeal by the rise of a standard in the market, forcing cost and price reductions (standardization) to remain competitive. Even if the offers tend to a standard, companies are still able to establish themselves at higher levels based on intangibles elements, such as tradition, for example. Kotler (1997) sees alternatives of differentiation in products, services, personnel, channel and image. Despite offering many products in mature categories, Nestlé is able to practice prices higher than competitors, relying not only in the quality of its products, but also on their corporate image. Thus, tangible and intangible aspects, such as the tradition in quality, innovation and technology, brand management and channel management can ensure the perception of differentiation by consumers and sustain the firm's image and value.

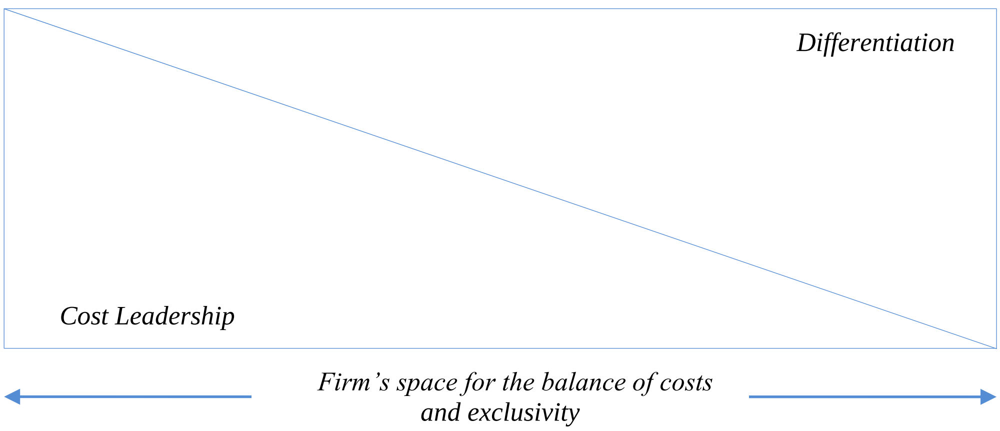
As we understand, the focus of Gilbert and Strebel (1987, 1989) is in the ability to make profit with a good balance of differentiation and productivity as the market evolves. Standardization allows a firm to continue recovering the investments in products that no longer have as much appealing differentiation elements: flexibility is the goal. It is also important to remember the different behaviors in the launch of products concerning price skimming and penetration policies (KOTLER, 1997) that influence the definition of premium price levels and their evolution over time.

We see the difference between the approaches of Gilbert and Strebel (1987, 1989) and Porter (1986) in the products transition to the consolidation phase. However, it is worth to reinforce that Porter's generic strategies (1986) refer to firms: products and services are consequences. He explains the differentiation gains with the practice of premium prices and costs at industry's average (prices can be reduced while still ensuring premium margins). Gilbert and Strebel (1987, 1989) argue that differences cannot be sustained for long periods, becoming a standard in the market, hence the need for flexibility in costs. In this respect, Porter (1989, p. 17) stated:

> A firm should always aggressively pursue all cost reduction opportunities that do not sacrifice differentiation [...] and all differentiation opportunities that are not costly. Beyond this point, however, a firm should be prepared to choose what its ultimate competitive advantage will be and resolve the tradeoffs accordingly.

We can then say that the firm would move on a continuum between pure differentiation and pure cost leadership, as indicated in Figure 2, whereby the firm is able to seek the balance between the strategic characteristics that best suit its circumstances and the market purposes.

Figure 2: Continuum of competitive generic strategies



Source: Authors.

7. THE VALUE DISCIPLINES OF TREACY AND WIERSEMA

Treacy and Wiersema (1995) proposed three forms of generic strategic guidance grouped in "value disciplines" necessary to achieve and maintain leadership: operational excellence, product leadership and customer intimacy. These disciplines may be understood as generic strategies, since according to them "The choice of a value discipline shapes the company's subsequent plans and decisions […]" (1995, p. 30). Like to Porter (1986), they argue that "The message of The Discipline of Market Leaders is that no company can succeed today by trying to be all things to all people" (1995, p. xiv. Italics in original). Each discipline requires a specific operating model regarding processes, business structure, management system and culture.

According to them, the operational excellence is similar to Porter's cost leadership (1986), but it is not limited to it. In the operational excellence, there is "[…] a combination of quality, price and ease of purchase that no one else in their market can match" (1995, p. 31), within an offer with the lowest tangible and intangible costs. They say that it means efficient production; products designed for cost efficiency; processes with standardized, simplified, planned and centralized operations; management system focused on integrated transactions, reliable and at high-speed; a culture that abhor losses and reward efficiency; and efficient distribution. Except for the incomparable quality (if it is considered separately), which concept can be flexible and elusive, in addition to impair the distinction with aspects directly related to Porter's differentiation (1986), these features make it virtually identical to the cost leadership.

Product leadership represents the continuous search for the best product, not occasionally. " A company pursuing product leadership continually pushes its products into the realm of the unknown, the untried, or the highly desirable" (TREACY; WIERSEMA, 1995, p. 35), needing to be creative, fast and self-destructive [in the Schumpeterian sense of creative destruction], bringing products that offer real benefits regarding the experience performance or perception. This discipline is very similar to Porter's differentiation (1986), as its requirements have looser, specialized and flexible structure; management system focused on results, rewarding positive results with new products without punishing experimentation; focus on research and development and appreciation of individual imagination, oriented to the future. Treacy and Wiersema (1995) use Intel and Hewlett-Packard as an example of product leadership, both classified as differentiated according to Porter's generic strategies (1986), and with a scale of production large enough to grant them an excellent, if not the best, cost position. It is worth to point that Porter's generic strategies (1986) also aim to structure companies for unusual actions, and that the pursuit of new product frontiers leads to differentiation, such as Apple and its constant developments of hardware and software in the quest for media convergence.

The intimacy with the customer focuses on delivering not "[…] what the market wants, but what a specific customer wants" (TREACY; WIERSEMA, 1995, p. 38). It is the pursuit of the total solution with unique and superior services, and long-term relationships that help them to achieve customers' loyalty, by helping them to take the greatest advantages of products. This discipline resembles Porter's focus strategy (1986) with respect to the concentration of a segment and the desire to better serve their needs with a range of products and services specially configured. However, Treacy and Wiersema (1995) further explain their requirements: long-term vision, obsession with the pursuit of specific solutions, decentralization of decisions, valuation of results in selected customers, the long-term relationships and talented, flexible and multifunctional people. Porter (1986) only emphasizes the orientation with characteristics of differentiation and cost leadership in a business with determined focus (customer segment). The characteristics mentioned by Treacy and Wiersema (1995) are not identical to the focus on differentiation, but they are far from the focus on cost leadership. According to them, the intimacy with the customer does not necessarily depend on the best product, but on the best total offer: products and services, which is similar to Porter's arguments (1989, p. 13): "By optimizing its strategy for the target segments, the focuser seeks to achieve a competitive advantage in its target segments even though it does not possess a competitive advantage overall". For Treacy and Wiersema (1995), it does not aim to seek the lowest *price or the latest and best features (in the focus strategy there may be a combination of differentiation and cost leadership), but an offer that allows the exploration of the customers' needs and limitations with superior services – the entire set stands out. The purpose in this discipline is to become an expert on customers' business, by building-up reliability (through the creation of switching barriers). Firm's profitability goes through the increase in the number of customers and the participation on such customers' expenses. However, they do not explain how segments and niches must be treated. We find it easier to think in this alternative in business to business operations, but banks, for example, do this by expanding their services portfolio, so that customers do not feel motivated to move their accounts to another bank. At this point, the relationship, which depends on talented, flexible and multifunctional people, becomes crucial. This relationship, emphasized by Treacy and Wiersema (1995), is only latent in Porter's approach (1986). However, the "superior services" of Treacy and Wiersema (1995) are a way to distinguish the offer. That is why we previously emphasized that Porter (1986) was concerned about the offer and not only the products. This approach by Treacy and Wiersema (1995) is similar to differentiation, but they emphasize aspects related to the customer.*

8. THE DELTA MODEL OF HAX AND WILDE

Hax and Wilde (2001) developed the Delta Project, which suggests three basic strategies supported by the concepts of best product, customer total solution and the system lock-in. In the best product strategy, the competition is based on the economics of the product, and may follow strategies of cost leadership or differentiation. According to them, if there is an ambiguous situation of cost leadership and differentiation, the position will be weakened, as advocated by Porter (1986) and supported by Treacy and Wiersema (1995). The value proposal in this strategy is independent of consumers, numerous and generic, relying on attributes of products and services, which coincides with the differentiation and cost leadership strategies (PORTER, 1986) focused on the broad market.

In the total customer solution, the competition is based on customers' economics, at its best performance, which requires a deep understanding of their needs, offering a good package of products and services and an integrated supply chain, including suppliers and customers. As a consequence of its characteristics, similarly to the customer intimacy strategy by Treacy and Wiersema (1995), it seems more appropriate for business to business transactions, where it is easier to develop deeper and more complex relationships. This approach has similarities with the focus strategy (with differentiation) from Porter (1986), but emphasizes the importance of a proper chain of activities. According to them, for customers to achieve the best performance, suppliers have to offer the best package of products and services so that customers may leverage their results, an approach similar to that of Porter (1989, 1996) which considers the delivery of more value at the same price or same value at lower prices [or greater value with higher prices since customers have opportunity gains]. The value proposition is based on the interaction between the firm's products and customers, in a solution that can be achieved in three ways, according Hax and Wilde (2001): by redefining the customer experience (with the intangibles relevance); horizontal breadth (the provision of a package of products and services that fully meet their expectations), pushing the limits of the transaction and reaching to the relationship; and the customer integration, replacing or leveraging activities which it runs (connections network to facilitate their business). Full retail banks, for example, by offering an increasing number of financial products and services, reduce the probability of a customer to leave them. In the customer solution, it is highlighted the importance of agents directly related to the profit generation: buyers and suppliers.

In the system lock-in, the system is considered as a whole, not only concerning with products or consumers, but including suppliers and complementors, the latter two playing essential roles. Instead of a limited value chain to the firm, value chains of various agents are connected, thus creating a true value system. Therefore, the purpose is to achieve success with the lock-in of agents that contribute to the value expansion (complementors), the lock-out of competitors, by attracting buyers and restricting the competitors' access to *complementors and channels, and the development of proprietary standards. The acquisition of proprietary standards, which must be difficult to copy, rapidly evolve, patentable and attract complementors, is more likely in dynamic sectors that favor ground-breaking innovations such as the computer industry (e.g. home-office processors and programs). We add that companies, channels and complementors are interested in their success, being mutually attracted to any strategic proposal, based on exclusivity or low cost, provided that they offer good returns. The greater the success of the firm, the expectation is that more complementors and channels (and their participants) are attracted, in a move that could lead to the growth for all. In this context of business networks formation, we shall remember that to Kotler (1997) competition takes place more between the networks that companies can establish than between companies themselves. In the lock-in system, according to Hax and Wilde (2001), the value proposal goes beyond the product, reaching the interaction with other customers. The connections are stronger and the gains are mutual for all participants in the chain. As Nalebuff and Brandenburger (1996) say, rather than fighting to increase the participation in a stable market is the pursuit to increase its value and then share this broader market. According to them, the difference between competitors and complementors is simple: with the market division among firms, there are competitors; with a higher value to the products/services of the firm when products/services from other firms are present, there are complementors.*

Hax and Wilde (2001) emphasize the interaction, arguing that, intentionally or not, the legacy of Porter (1986) shows strategy as a war. According to them, "strategy is not a war with your competitors; it is love with your customers, suppliers, consumers, and complementors" (2001, p. 44. Italics in original). Although the words underlined are striking, Hax and Wilde (2001) do not explain how these relationships are sustained by love in stagnant markets, with fierce competition and dispute for gain among participants; or even in what the lock-out of competitors and channels is different of a war. If love and hate should be considered relevant to the case, the relations of interest (in love and hate) also should. We emphasize that in any speech the emphasis of the sender is not always perceived in the same way by the receiver.

In Table 1 the dimensions of each alternative proposal of Hax and Wilde are partially shown.

Table 1: The various dimensions of the triangle (shape of the Greek letter delta – Δ – which gives its name to the model)

Competitive Positioning	***Best Product***	***Total Customer solution***	***System Lock-in***
Strategic focus	*Product: the business, its industry and its competitors*	*Corporation: the firm, its customers and its suppliers*	*The extended enterprise. The firm, its customers, its suppliers, and its complementors*
The customer value proposition	*Product economics*	*Customer economics*	*System economics*
Relevant channels	*Generic, mass distribution*	*Direct, segmented channels*	*Channels to customers and complementors*
Products offerings	*Standardized products*	*Customized packages of products and services*	*Products and services portfolio extended by complementors*
Degree of customer bonding	*Very small*	*Potentially high*	*Potentially the greatest possible*

Source: HAX; WILDE, 2001, p. 15. Partial.

The Delta model, more externally and widely oriented, incorporates Porter's generic strategies (1986), criticizes his position in the industry analysis and incorporates more clearly the idea of "co-opetition" (NALEBUFF; BRANDENBURGER, 1996) and the importance of the relationship with *complementors. Its dominant standards and customers solutions can be seen as an evolution of the best product and customer intimacy of Treacy and Wiersema (1995), the combined strategies of Gilbert and Strebel (1987, 1989), or one of Porter's focus configurations (1986). The structure of channels, emphasized in the Delta project, is limited in Porter's arguments (1986) and the complementarity is seen by him only upon the convenience of those who produce and sell products and related services (1989).*

9. CONCLUSIONS OF THE LITERATURE REVIEW

- *The literature review allowed us to identify relevant aspects of the various approaches and common and divergent aspects of their authors. We point out:*
- *One of the bases in differentiation, profitability through premium prices, is compromised by the author itself, Porter (1986), when he considers the possibility of offering prices similar to those of competitors, seeking higher sales and greater customer loyalty, which puts pressure on costs.*
- *The focus strategy (PORTER, 1986) can be difficult to interpret if considered in terms other than the orientation by the customer group to be served.*
- *Various authors mention not to be appropriate that companies seek to be everything to everyone, at the risk of losing the orientation; but except Mintzberg (2001) they all have a proposal that includes the combinations of different strategies, being the most emphatic that from Gilbert and Strebel (1987, 1989).*
- *The value disciplines (TREACY; WIERSEMA, 1995), the operational excellence and the product leadership resemble, respectively, the cost leadership and differentiation, while customer intimacy, by aiming a specific group of consumers, resembles the focus strategy (PORTER, 1986). For Treacy and Wiersema (1995), in the latter case, success does not depend on the best product, but the best offer, whereas to Porter (1986) it is possible to obtain a competitive advantage in the target segment without having a general competitive advantage (based on the best offer). Despite the similarities, Treacy and Wiersema (1995) emphasize the aspects related to customers and relationships, unlike Porter (1986).*
- *Out of the strategies proposed in the Delta Project, by Hax and Wilde (2001) statement that the best product strategy does not depend on customers, many and varied, it is similar to Porter's differentiation (1986), oriented to several segments, but not to any in particular. The total solution strategy (better performance on the customer, supported by the best offer and integrated supply chain) resembles Porter's focus strategy (1986) and the customer intimacy (TREACY; WIERSEMA, 1995). However, Hax and Wilde (2001) go further into customer experience and the offer as a whole, appraising customer integration and relationship. In the lock-in system, they emphasize the value system, the proprietary standards and complementors, reinforcing the lock-out of competitors for attracting buyers and restricting the access of complementors and channels. Their dominant standards seem to be an evolution of the best product of Treacy and Wiersema (1995), of the combined strategies of Gilbert and Strebel (1987, 1989) or, less obviously, of one of Porter's focus configurations (1986). Overall, Hax and Wilde (2001) incorporate Porter's strategies (1986), criticizing his understanding on the industry analysis (inappropriately, in our opinion) and incorporates more clearly the idea of "co-opetition" and the importance of the relationships with complementors, what Porter (1989) does in a limited manner and with other purposes.*

The table 2 shows a summary of the main characteristics and similarities of the different approaches advocated throughout this work, taking Porter's work (1986) as reference.

Table 2: Competitive Generic Strategies according to the models discussed

Author	*Generic strategies*	*Approach and objectives*	*Similarities*
Porter	*Differentiation, cost leadership and focus*	*Definition of firm's attributes to compete for exclusivity or low cost aiming the broad or restrict market*	
Mintzberg	*Locating*	*Firm's position in the operation stage and analysis of industry attractiveness*	*Industry analysis (PORTER, 1986)*
	Distinguishing	*Definition of firm's attributes to compete according to the competitive advantage pursued*	*Competitive strategies (PORTER, 1986)*
	Elaboration	*Business expansion combining markets and configurations with the exploration of growth opportunities through internal development, mergers and acquisitions*	*Growth strategies (ANSOFF, 1965)*
	Extending		
	Reconceiving	*Business review with reflections on the most relevant aspects of its evolution*	
Gilbert and Strebel	*Outpacing Strategy*	*Strategic flexibility through the combination of exclusivity and low cost*	*Competitive strategies (PORTER, 1986)*
Treacy and Wiersema	*Operational Excellence*	*Competition based on operational efficiency and high quality standards*	*More similar to the cost leadership strategy (PORTER, 1986)*
	Product leadership	*Competition based on exclusivity (innovation) – the best product, always*	*Differentiation Strategy (PORTER, 1986)*
	Customer intimacy	*Competition based on the best solution (offer) – relationship*	*Focus strategy (PORTER, 1986)*
Hax and Wilde	*Best Product*	*Competition based on low costs – emphasis on the economics of the product*	*Competitive strategies (PORTER, 1986) – cost leadership*
	Customer solution	*Redefinition of the customer experience, supply of products and service packages, integration (connections network to facilitate the business) focusing on the configuration of an integrated supply chain – relationship*	*Customer intimacy (TREACY; WIERSEMA, 1995); focus strategy with differentiation (PORTER, 1986)*
	Lock-in	*Economics of the system focusing on complementors attraction – relationships*	*"Co-opetition" (NALEBUFF; BRANDENBURGER, 1996)*
		Captivate buyers, block competitors' access to channels and complementors – relationships to lock-in complementors	
		Definition of proprietary standards that allow the configuration of channels and attraction of complementors	*More similar to product strategies and customer intimacy (TREACY; WIERSEMA, 1995); combined strategies (GILBERT; STREBEL, 1987, 1989), and Focus strategy (PORTER, 1986)*

Source: Authors.

Overall, despite differences of points of view shown throughout the text, we believe that the approaches demonstrate evolution and complement each other. A firm can be classified according to the requirements of each one of the proposals. Take a very well known firm, for example, Microsoft. We can define it as a differentiated firm, with cost leadership benefits (or at least with benefits of scale of production) in the background, according to Porter (1986); as an operating leader, product excellence and customer intimacy, according to Treacy and Wiersema (1995), as best product company, which offers customer total solution and locks-in the system, attracting complementors and locking-out competitors, according to Hax and Wilde (2001). It can also be categorized as following an outpacing strategy, according to Gilbert and Strebel (1987, 1989), and with a dominant standard (proprietary) according to Hax and Wilde (2001).

10. FINAL CONSIDERATIONS

Given that the pursuit for sustainable competitive advantages is at the core of the strategic process, reflected in a properly configured offer, companies operate between two limits: the large volumes of sales, tempting as it allows to operate with low unit costs, even with the practice of lower prices and unit profits, and the differentiation, which may be attractive for its natural appeal of being different and deliver a superior offer, earning more for that. The most appropriate option, however, should be in accordance with the resources, objectives, interests and vocations of the companies, the structures of their industries and their environmental circumstances.

Although with a good level of completeness, in our opinion, for its simplicity, Porter's competitive generic strategies (1986) can be doubtful at times and leave open spaces to criticism, but remain important as a source of strategic direction, though insufficient as unique strategies, which can be developed based on any of the directions proposed by him or in more recent approaches. Although it may exemplify Porter's generic strategies (1986) using products and services, his orientation is on how to structure the firm to compete, incorporating or developing the attributes that ensure the delivery of an exclusive or low cost offer. His approach was developed based on the industrial organization, opening flanks for criticism occasionally rough regarding the lack of consideration, in a striking manner, of important aspects that were explored in more recent works, strengthened by the valuation and development of the Marketing discipline.

In addition to what has been explicitly accepted and incorporated by the authors mentioned, we can consider that the evolution shown in their works have incorporated many aspects of the generic strategies proposed by Porter (1986). This is because the structure of the activities and channels chain, the attraction of complementors and the development of the offer as a whole are inseparable from the pursuit of specific competitive advantages, held on exclusivity or in the low-cost of the offer, and in the industry. As the success of strategies depends on the strategist perception, it is their way of perceiving reality and appropriateness of the approaches that counts, in order to provide unique strategies for the required consistency.

Since several references regarding the differences and similarities with other works were made throughout the text, we point out the increasing importance given to channels' structuring, complementors and the more comprehensive view of the aspects of cooperation and competition, which demand better relationships between all industry agents, which was approached more deeply in the works of Treacy and Wiersema (1995) and Hax and Wilde (2001). It is worth to point out the way in which Gilbert and Strebel (1987, 1989) approach – in our opinion not very differently from Porter's essence, but more emphatically – the possibilities of gains from combined strategies of productivity and innovation (cost leadership and differentiation).

The volume and quality of support and criticism, and its application on other approaches, shows that Porter's strategies (1986) have matured without losing the simplicity and underlies the development of more comprehensive forms. Like other generic strategies shown herein, they are good references for the development of comprehensive strategies, to which planning models and strategic management are able to provide unique ways, adapting goals, strategies, structures, systems and processes. Therefore, we understand Porter's work (1986) as influential and see the other approaches with similarities and differences that allow them to complement each other.

This study has limitations for dealing with taxonomies instead of models. By nature, taxonomic works are broad classifications, less susceptible to causal statements, although important as a support. The choice of a taxonomic work and its successful application in the organizational practice are directly related to the abilities and preferences of its users. By definition, generic strategies can be used by any firm in any industry or strategic group, provided that they are expected not to build their configurations over the same elements, with the same characteristics. Small differences in any element may have significant impacts on the final result, and there is no scientific way to prove its validity in complex situations, except by comparing details of each element. However, we have provided a background for those interested in the subject so that it is possible to define their own criteria of adequacy for each strategic configuration mentioned, adopting one author as reference or merging their ideas.

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