

Research paper

Development of New product Strategy using Blue Ocean Strategy (Case study: Pilot Gas Company, Iran)

Mohammad Abdolshah

Department of Industrial Engineering, Semnan Branch, Islamic Azad University, Semnan, Iran

Article Info

Article History:

Received: August 11, 2023

Revised: September 28, 2023

Accepted: October 16, 2023

Keywords:

Strategic Management, Blue Ocean strategy, Pilot Gas Co., Value Creation

*Corresponding Author's Email Address:
abdolshah@gmail.com

Abstract

This paper is aimed at studying a new approach toward strategy. Strategy and innovation in conventional terms are concentrated on creating ideas within the determined and organized framework of existing industries. Innovation is an accidental phenomenon which is achieved by a limited number of individuals inside a company. It is unlike competitive strategy by which the companies usually try to divide and own the existing values instead of creating them. The logic behind the strategy which is used in this paper is based on a number of fundamental principles that seek creating value for the customers and the company itself. Product development in Pilot Gas Company using Blue Ocean Strategy and enjoying the experts' views and management styles is what this paper looks into it. Studying the strategic map, quantitative matrix of strategic planning, elimination chart, reduction, increase, creation and the existing theories of Delphi sessions acquired by the company's directors made us try the new product of steam ovens using Blue Ocean Strategy according to the results of quantitative matrix of strategic planning.

INTRODUCTION

The raised theories could often be classified into two categories in the management science. The first category consists of the theories created by the need of changing the system and finding a solution and new strategies for progress such as neoclassic organizational theories, bureaucracy, etc. These theories lead to improvement of businesses by the changes they offer, but the second category is merely the outcome of conducted studies on the organizational, human and or commercial systems such as Abraham Maslow (pyramid of human needs) and or theories of organizational behavior that present the studies conducted on the individual and social behaviors of human being. This category of theories contributes largely to understanding of organizational complexities and correct decision-making in order to identify strategic benefits.

Considering the special conditions of businesses in today's world and the regular change of environmental variables, most of the data cannot be frozen anymore and

long-term planning in the future cannot be made (Renee and Chan, 2005). That is why a movement in strategic management area has started within the recent years. These are mainly in the area of innovation and creativity in strategy and paradigm movements in strategic area. One of the most important developments in this area that led to a revolution in strategic area is 'Blue Ocean Strategy'. It has started presenting a set of tools and special approaches to materialize it through strategic thinking approach together with the innovation in strategic area.

Blue Ocean Strategy is one of these second-hand management theories. It is a systematic solution to find businesses in which competition has lost its meaning in traditional markets. In other words, it makes the competition meaningless through finding a new space for business, but the difference is that you do not have to restrict your target market and customers there, but your organization will be concentrated on creating an innovation that gives birth to values and enters new fields.

This paper is aimed at making a new product that pays special attention to the customers' health by low

Doi:

combustion percentage and not using oil. As the rival companies have not used this idea yet, it was decided to design and implement this approach through using Blue Ocean Strategy which is in line with the company's goal. Meanwhile, the issue was addressed from another aspect to respond to whether such a product will be economical for the company or not. This paper, studying the background of the subject, starts describing the research method and ends up with conclusion to the study.

RESEARCH LITERATURE

A. *Blue Ocean Strategy*

Although the term 'Blue Ocean Strategy' is a new term, its identity goes back to the age of all the existing businesses. Blue oceans whether in the past or at present have been the characteristic of all businesses. For example, if we go back to 100 years ago, many basic and fundamental industries such as car-manufacturing, petrochemicals, health and treatment and management consultation were completely unknown and or newly emerging at the time. Also if we go back to 50 years ago, we will notice again that many multi-billion USD industries did not significantly exist in the past three decades such as mobile phones, biotechnology, home videos, and etc. industries. However the identity and concept of Blue Oceans have remained unknown to a large extent.

In the recent 25 years, the main focus of strategic thoughts was competitive strategies, and the issue of competition has got deep roots as the centre of attention of models compiling strategy. It is not surprising under such approach that the current organizations learnt skillfully how to compete with each other and have become able to adopt a strategic position such as distinction, reduced costs and or concentration through analyzing the fundamental element of economic structures in an existing industry. That is why a small number of practical guidelines and applied instructions has been created so far with regard to the method of creating Blue Oceans in the world.

B. *Research History*

According to the study conducted by the writers of this paper, Chan Kim and Renee Mauborgne, the researchers of Management and Strategy of Inside Institute, published the results of their studies in this regard in 2005 in a book called 'Blue Ocean Strategy'. There are also a few Farsi translations made of the book in the country (Rene and John, 2005).

The foreign projects that were completed in this regard are as follows:

1. Blue Ocean Strategy: valid and reliable? by Dmitriy

Kabukin, 2014. Many companies are familiar with 'Red Ocean' and are used to competition. However the main challenge of companies is to develop the market, to create new demand and to expand the market share. Blue Ocean Strategy makes changes the users to create easy markets and to alter the focus from competition to creating innovative values.

2. A strategy for procurement systems of the third parties, an analysis using Blue Ocean Strategy by Changsu Kim, Kyung Hoon Yang and Jaekyung Kim, 2008 by Omega journal. This paper describes Blue Ocean as an instruction how to evade strong competition in the market and the one that studies its supply chain network and creates a new system through using the framework of analysis and interviewing the senior directors.

3. Bandit cell phones: A Blue Ocean Strategy, Sjoj-Chi Chang, 2010. Bandit cell phones introduce a model of new business through the identity of unbranded phones or white-box cell phones. These phones change the rules of the game by low costs and high added value.

4. Higher growth through Blue Ocean Strategy: Concepts for economic policies, Jaka Lindic, Mojca Bavdaz and Helena Kovacic, 2012, together with testing the Empirical data of two successful business cases with high growth such as Ahoi Slovenia and Amazon. The results show the distance between level of macro economic policies to achieve a higher growth and the level of micro growth of businesses. The findings show a change in concentration of economic policies from companies with special sizes, special business activities and industries to cooperatives and cooperation among companies of different sizes, value innovation and creation of sole contender markets.

5. Blue Ocean versus five factors, Andrew Burke and Andre Van Stel, Harvard Business Review, 2010 say that no empirical study to compare Blue Ocean and five competitive factors has been conducted yet, while these researchers started conducting it. They did not find any important difference that the leader of the firm could attach to the speed of competitive strategy and the real speed of the organization as it is known as the speed gap in the business world, and the organization will not show suitable performance if there is no proper coordination.

6. A strategy for the systems of third party procurement: An analysis using Blue Ocean Strategy by Changsu Kim, Kyung Hoon Yang and Jaekyung Kim, 2008 showed how a manager used a distinctive competitive advantage as far as suppliers were concerned through innovative information technologies such as Radio Frequency Identification (RFID) and has created a sole contender market environment. The research analysis was made within the framework of four actions.

7. Entry of Blue Ocean Strategy to a good customer market and speedy transportation by Simon Dusseldorf

and Wubben, 2012. Study of the weak and strong points of markets and attention to the issue that every industry has special requirements to enter the market are important, for example milk and meat need speedy transportation to affect other criteria such as customer and market. Consequently they found out that it is not important how much competition exists in a market, but what matters is that the organization needs to develop in a problem free atmosphere.

8. Examining market entry mode strategies through influence of organization's resources, empirical evidence from a region-within-country economy context by Aron O'Cass, Liem Viet NGO and Nima Heira, 2012. This study had two goals; firstly, development and study of a framework for marketing purposes and then study of the theoretical framework in special positions including entrance mode of Hong Kong Companies to China as the special regional economy. 208 senior managers of Hong Kong Companies were interviewed by email and the results showed that the information of company, product and characteristics of the local market play a remarkable role in the entrance strategy of shareholders from Hong Kong to China.

9. Reflection of Blue Ocean Strategy in comparison with strategies adopted by Ansoff, Porter, Hax and Wilde, Ailton Conde Jussani, 2012, using empirical, descriptive, research and analysis methods in papers at the company's disposal. They seek expanding their competition through strategy in common areas and their composition and designing an organized and operational model that could

be effective on acquiring a competitive advantage for them.

10. Prediction of banking and Blue Ocean Strategy to develop system integrity by Institute of Bankers of Sri Lanka, 2011. They firstly started describing banking in Sri Lanka and then innovation which is the financial solution of added value and creation of regional and international markets through open learning that will bring about development of human resources.

11. Blue Ocean Strategic approach: Innovation of value of customers of economic organizations of Canada, Philip Labahn, Lise Dellazizzo and Cathy Stewart-Beaulieu, 2012. The study is focused on economic organizations of Canada and how competition of organizations was explained within the framework of customer's value and value creation. Red Oceans and work and service areas create a different notion toward value presentable to the customers and distort the divergence of game rules that were considered as Blue Ocean. The goal is to create a new entrepreneur market without any rivals to change the current saturated situation.

Since creating Blue Ocean requires adoption of strategy-centered approach, a framework has to be explained in the beginning to manage this approach. Such framework follows the theoretical principles of strategic management despite using the innovations resulting from Blue Ocean notions. For this purpose, some important models of strategic management were analyzed in table 1.

Model	Stages and components
Pearce and Robinson (2003)	<ol style="list-style-type: none"> 1. To determine the role of organization including general statements regarding the goal of philosophy and organizational goals. 2. To analyze the company to show its internal situation and abilities. 3. To assess foreign environment of organization according to competition and general factors of situation and conditions. 4. To analyze the possible options by comparing the situation of organization and external environment. 5. To identify the preferred option when possibilities are assessed under the light of company's mission. 6. To select the set of long-term goals and major required strategies strategically to achieve the preferred option. 7. To compile the annual goals and short-term strategy compliant with long-term goals and major strategies. 8. To implement the decisions of strategic selection according to allocation of resources and budget, emphasizing on coordination between activity of staff of technology structure and system of benefits. 9. To study and assess the success of strategic process to be used for controlling as an input for future decisions.
Fred David (2010)	<ol style="list-style-type: none"> 1. To present the strategy. 2. To implement the strategy. <p>Implementation of strategies is often known as the practical stage of strategic management. Implementation of strategies means that the staff and directors are mobilized and put the complied strategies in practice.</p>

Wright et al (1992)	<p>3. To assess strategies Performance assessment of complied strategies in the direction of materialization of goals.</p> <ol style="list-style-type: none"> 1. To analyze opportunities and threats despite the restrictions existing in external environment. 2. To analyze the weak and strong points of the organization. 3. To regulate the mission of organization and to determine the objectives. 4. To regulate the strategies at three level of business and duty company which is compliant with the weak and strong points of organization and the environmental opportunities and threats. 5. To implement the strategy. 6. To control the activities strategically in order to make sure about achieving the goals.
Tompson and Strickland (1993)	<p>First step: At this stage, the type of activity that the organization is engaged with is identified and the mission of organization is decided according to that statement.</p> <p>Second step: After the mission of the organization is decided, the long-term and key goals of organization are specified in the direction of the mission of the organization.</p> <p>Third step: At this stage, the long-term goals of the organization are materialized and then the strategy is decided. Also the strategies to achieve operational goals are drawn up.</p> <p>Fourth step: At this stage, the decided strategies are put in practice and the necessity of strategic management is discussed.</p> <p>Fifth step: At this stage, the results from implementation of strategies are compared with the pre-determined objectives and if there is any deviation from program, modifying measures are adopted.</p>
Leslie et al (2001)	<ol style="list-style-type: none"> 1. To analyze the current situation. 2. To study the future perspective of organization. 3. To compile future strategies of organization. 4. To implement the strategy. 5. To assess and control the strategy.
Finlay (2000)	<ol style="list-style-type: none"> 1. To determine the future perspective. 2. To determine the position of organization. 3. To select the strategy. 4. To implement and control.

Table 1: Important models of strategic management

C. Value Innovation

Value innovation is the cornerstone of Blue Ocean Strategy. In order to study the concept of value innovation, firstly the meaning of value is studied. Value is a strategic concept that shows how one company presents better, shows more value to its customers, and makes itself distinct from its rivals. The composition of value is important from both internal and external aspects and should be considered as the most important principle for organization of a company. The importance of value as far as internal aspect is concerned means that the attention of all organizations should be attracted to customers' requirements and demands and it is important as far as external aspect is concerned because the companies could leave a trace in the customer's minds. In fact the customers do not buy goods and services, but buy the value which is the set of performance of the access product and experience. Value innovation challenges the relation which is one of the most conventional and accepted principles in the

strategies based on competition. Traditionally everybody believes that the companies are able to create a higher value for their customers by increasing their costs and or presenting a normal value at a lower level to the customers as far as the costs are concerned.

RESEARCH METHODOLOGY

A. Research method

The current study is of descriptive and quantitative type as far as classification of studies according to the method of collecting data is concerned. To collect information, library method (including books, papers and journals) as well as survey research together with interviews were used. Considering the research goal, it is considered as applied research type. In this study, library method was used to collect information regarding the literature of the issue and theoretical grounds of the research. The research was conducted in two stages in order to explore the effective factors on industry of making ovens using

Blue Ocean Strategic approach, experts of the company were interviewed and identifying the customer's needs regarding the following, the decision was made to make new products.

The new product was based on the customer's increasing need to cook healthy food and not to use oil and to pay attention to medical recommendations regarding using healthy methods of cooking in order to avoid possible damages and its consequences and also to adopt a method to preserve the existing vitamins in the food when cooking it. Knowing these factors, a new product was generated to address these needs, to attract the customers' satisfaction and to create a new market using innovation in design and technology.

In most of the Iranian companies active in manufacturing of home appliances, development and presentation of new products and services is an accidental phenomenon which is not planned in advance. This process is often temporary and without any planning instead of having a regular structure to explore new ideas and to develop and select among them simultaneously. There are only very few sectors where there is an organized approach toward development of new products. The companies that have conducted their innovative process in a more organized fashion and prevented having no program had better be able to know the innovative opportunities and organize the process of developing new products and services more effectively and efficiently. Hence successful and distinctive innovation in products should be a controllable happening.

In the direction of strategic development for any new product as the last resort to complete this puzzle, the company managed to manufacture and generate mass production of burners with low combustion percentage and this product will be presented to the market in the fourth quarter of 2015 and first quarter of 2016, having gone through all stages and having completed its infrastructures. In this study, the main tools of Blue Ocean Strategy called 'strategic eco' were used to determine the strategic situation of Pilot Company, being a 'four angle table' to implement the required changes to the effective factors on the ovens manufacturing industry within the framework of creation, increase, elimination and reduction and 'quantitative matrix of strategic planning' to find the superior strategy.

B. Statistical society

The Pilot Company started its study and research and R&D sampling under the supervision of different teams in 2014 and managed in the same year to register the invention permission of the product. IN 2014, the company tries to produce its new product tentatively under the title of steam oven and this was sufficient for Pilot Company to

be able to receive the technological certificate for producing this oven from Iran's Industrial Research Organization. The selected model of Pilot Company was a flexible, comprehensive and applied model according to the opinion polls conducted by their managers and deputies because its dynamic and effective use to remove the traditional strategic gaps was facilitated. This model was used in the two following sections as a pilot study:

1. To develop services to the customers (in fact this method enabled presentation of special services in addition to general services to the customers).
2. To commission the business of knowledge management in the industry.

Considering the obtained results that will be referred to subsequently, this model can be commissioned in two areas including new businesses and or development of the existing businesses.

C. Algorithm of research method

In this project, the method of implementing the Blue Ocean Strategy in Pilot Gas Company consists of the stages shown in Figure 1.

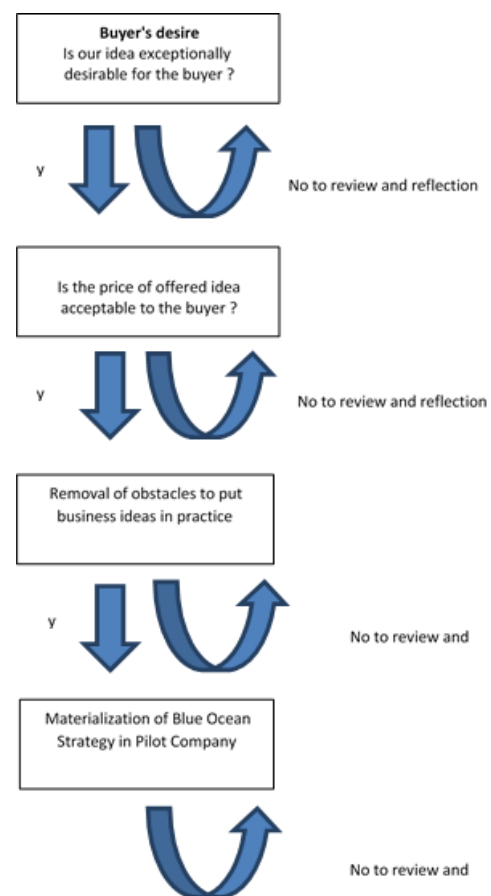


Fig. 1: Method of implementation of Blue Ocean Strategy in Pilot Company

Since creation of Blue Ocean requires adopting a strategy-centered approach, a framework should be provided to manage this approach initially. It is a framework that also pursues the theoretical fundamentals of strategic management in addition to using innovations resulting from Blue Ocean Approaches. For this purpose, some important models of strategic management were analyzed in Table 1. The designed model was shown in

Figure 2 in order to create and manage Blue Ocean Strategies in the Pilot Company. It is worth mentioning that the framework and skeleton of the researchers' conclusion were developed from manuscripts of Kim and Mauborgne that has developed considering the local conditions of the country.

Table 1: Designed model of Blue Ocean Strategy for Pilot Company

Review of perspective and mission organization	of the existing strategic map of lines industry	Preparation of	of the existing business situation	favorable strategic map of lines	Re-design of	of the business situation	Feasibility study and prioritization of Blue Ocean Strategic scenarios	Implementation and review of selected scenarios
Analysis of buyer groups	of functional sensitive characteristics of buyers	Analysis of	and supplementary products	Analysis of	of strategic points	Analysis of	of market boundaries	Re-design of
Analysis of strategic groups	of substitute industries	Analysis of	of individuals other than customers	Analysis of	of other trade lines	Combination	of trade lines	

The main elements of the offered model for the Pilot Company were extracted according to review and recap

of the enumerated strategic management models in Table 2.

Table 2: Assessment of the components of designed model by the Pilot Company

Main components of Blue Ocean strategic management in Pilot Company	Pearce and Robinson (2001)	Fred David (2004)	Tompson and Strickland (1993)	Leslie et al (2001)	Finlay (2000)	Wright et al (1992)
Review of future perspective	*	*	*	*	*	*
Determination of organization's position	*	*	*	*	*	*
Study of future perspective of the company	*	*	*	*	-	*
Selection of strategy	*	*	*	*	*	*
Implementation and review	*	*	*	*	*	*

RESEARCH FINDINGS

Using situation map of strategy of company and rivals From conceptual point of view, Blue Strategy briefly consists of the following and it was necessary to be implemented in the Pilot Company.

1. Creation of trade environment
2. Meaninglessness of competition

3. Creation and occupation of resources of new demand
4. Simultaneous implementation of distinctive and cost reduction strategy

The conducted investigations and the viewpoints of the company's experts are the most important strong points of the mentioned company as follows and they were used to draw the strategic map of the Pilot Company:

1. Flexibility and agility of organization to present new products

2. Cooperation with strong distribution companies
3. High credibility of organization (brand)
4. Use of integrated management (ISO)
5. Obtaining the superior mark of the producer of the year
6. Holding energy grade A
7. Holding technological certificate
8. Company's supervisory power (relation with big and chair stores, particularly governmental ones)
9. Shareholders' financial backup
10. High profit margin

Using the above factors the current strategy map of the Pilot Company using made-up points are presented according to chart 3: (A set of specifications for industrial oven are drawn on the horizontal axis and the rank of every specification on the vertical axis to make it possible to compare the current situation of the company against them.)

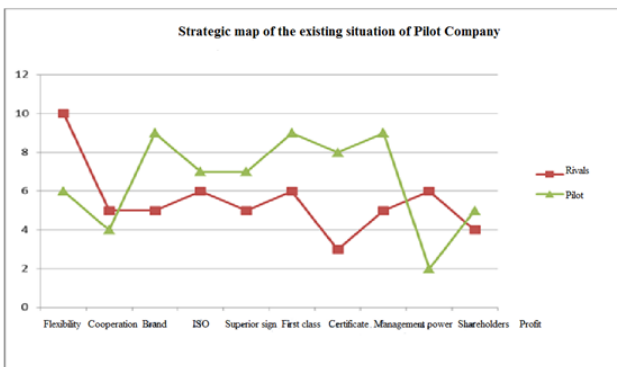


Fig. 2: Comparison of the existing situation of Pilot Company and rivals

Suggested strategy using Blue Ocean Strategy Approach

Considering the confidential nature of the project until it has been presented to the market, some highly important and distinctive points about the product are enumerated briefly as follows:

- Structural change to the burner shape to disseminate the least poisonous gas and reduction of the percentage of the products resulting from its combustion to half of the authorized standard.
- The new method of cooking by steam where the new structure of the fan does not require frying or direct heat or flame and it is cooked in the shortest possible. The existing vitamins in the meat or food do not go off due to direct heat either.
- Using new isolation methods
- Using special materials and alloys to produce the van of this oven
- etc.

Comparing the technological criteria, price, cost of manufacturing, beauty, speed of cooking, innovation, energy grade and health specifications of the two

ordinary oven and steam oven which is studied by the Company for presentation to the market without having any rival indicates the advantage of the new product as it is shown in chart 4.

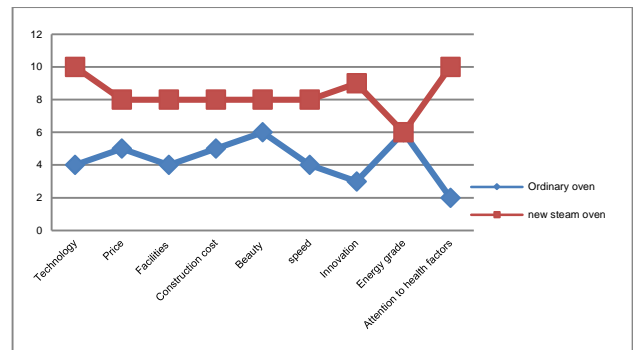


Fig. 3: Strategic map of ordinary oven in comparison with steam oven

As it is seen in the chart, the section of health factors helps the existing strategy in Blue Ocean Strategy. This strategy adds value to the Company's customers by not using oil, maintaining the vitamins of the food and not exposing the food to direct flame of gas. The experts of the Company also anticipate the sale of products and customers' demand following presentation of product to the market considering the fact that anticipation of the sale of ordinary ovens is easily possible due to being known in the market (according to Figure 4).

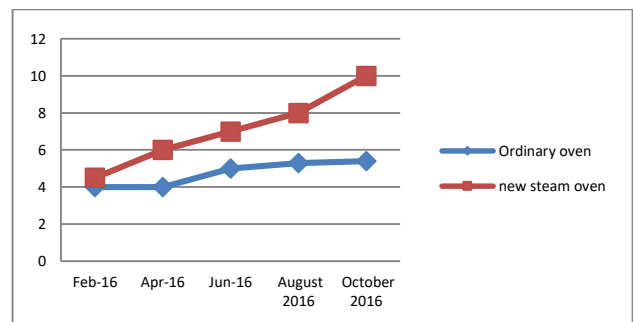


Fig. 4: Strategic map of anticipated sale

Method of four angle network (elimination, reduction, increase, creation)

The table of elimination, reduction, increase and creation of oven, table 3 has four immediate benefits for the Pilot Company as follows:

1. It made them to pursue the distinction and low costs simultaneously to break the balance of value – costs.
2. If the attention is solely paid to the increased creation, the costs structure will grow.
3. This table is understood by the directors of the Pilot Company easily at any level and therefore, it engages a

high level of mental engagement by the managers when using it.

4. The Pilot Company has taken all the factors that are part of the competition in the industry when designing the table into serious consideration, and therefore it can explore and review all the accompanying and unconscious hypotheses as the bases of competition.

Table 3: Table of elimination, reduction, increase and creation of steam oven of the Pilot Company

Increase	Elimination
Increased price in comparison with ordinary ovens	Excessive marketing Pressure policy to sell
Increased participation of retail stores / shops	
Creation	Reduction
Attention to health factors	Numerous models and production brands

Quantitative Strategic Planning Matrix (QSPM)

Quantitative matrix of strategic planning is one of the techniques and tools which are vastly prevalent to assess the strategic options and to identify the relative attractiveness of the strategies that are used at the decision-making stage. This technique identifies whether the selected strategic option is possible or not and in fact prioritizes these strategies. In table 4, design and creation of this matrix between the two strategies of producing steam oven and desk oven studies the strong and weak points, threats and opportunities existing between the two. It should be noted that the criteria taken into account consist of 10 specifications for each and five specifications of each were given here for the sake of brevity.

Table 4: Table showing the weak points, the strong points, the threats and the opportunities of two products of the Pilot Company

				The first strategy: production of steam oven		The second strategy: Production of desk oven	
	Strong points	Coefficient	Attractiveness	TAS1	Attractiveness	TAS2	Attractiveness
1	Flexibility and agility of organization to present new products	0.12	3	0.48	4	0.24	2
2	Cooperation with strong distribution companies	0.10	1	0.21	2	0.31	3
3	High credibility of organization	0.09	3	0.26	3	0.26	3
4	Adoption of the reward for the best producer of the year	0.10	2	0.31	3	0.10	1
5	Holding energy grade A	0.14	4	0.55	4	0.28	2
				Weak points			
	Weak points	Coefficient	Attractiveness	TAS1	Attractiveness	TAS2	Attractiveness
1	Low production figures	0.12	2	0.23	2	0.23	2
2	Weakness in integrated software system of factory	0.10	2	0.30	3	0.30	3
3	Low ability of suppliers	0.10	3	0.30	3	0.30	3
4	High rate of over-work and quality costs	0.09	2	0.17	2	0.09	1
5	Low level of incentive and contribution of staff	0.10	3	0.20	2	0.10	1
Total				5.97		4.17	
				Opportunities			
	Opportunities	Coefficient	Attractiveness	TAS1	Attractiveness	TAS2	Attractiveness
1	Increased demand of home appliances market	0.11	4	0.46	4	0.23	2
2	Tariff of high imports for foreign companies	0.13	3	0.39	3	0.26	2
3	Electrical ovens of important foreign brands	0.08	1	0.25	3	0.16	2

4	Government's support for local production	0.10	3	0.30	3	0.20	2
5	Opportunity for export to neighboring countries	0.05	2	0.10	2	0.15	3
	Threats	Coefficient	Attractiveness	TAS1	Attractiveness	TAS2	Attractiveness
1	Customers' low ability to buy	0.09	2	0.28	3	0.09	1
2	Instability of economic policies of the country	0.11	2	0.22	3	0.00	1
3	Negative approach to quality of Iranian products	0.13	2	0.38	3	0.25	2
4	Inflation rate	0.09	2	0.28	3	0.19	2
5	Increased share of rivals	0.09	2	0.28	3	0.09	1
	Total			5.71		3.43	

Following made calculations at the end, the total points of the first strategy are 11.68 and the ones of the second strategy are 7.60. Hence the attractiveness of the first strategy, i.e., production of steam oven is higher and according to this matrix strategy, production of desk ovens stands the second.

CONCLUSION

In today's highly fluctuating world, what is more important than ever is the existence of strategic approach at organizational level. It should be noted that the high speed of environmental changes make the strategic planning lose its efficiency and effectiveness and that is why applied methods should substitute former plans rapidly to make the organization get rid of the resulting situation. The organizations, thinking between the conventional borders of competition will be able to understand how the conventions change through strategic movements and how strategic movements lead to areas of re-structuring and renovation of fixed borders of business, service and creation of Blue Oceans. The process to explore and create Blue Oceans does not require anticipation and or occupation of industrial trends and or hierarchy of trial and error to implement new business ideas, but the directors should organize the realities of the market again by using a completely new method within an organized process.

The Pilot Gas Company managed to enter the market of steam ovens without any rivals following achieving the long-term objectives of the organization and making progress and leaving the rivals in the current market behind resulting in a huge and risky investment. It did so by using experts, paying attention to the experts' ideas and suggestions, designing quantitative matrix of strategic planning and comparing the current situation

with the anticipated situation of using a new product in compliance with the assessment criteria.

Considering the needs of the society and the advice of the company's experts, health factors and attention to the customers' physical and psychological health is of high importance. Thus the adopted objective was firstly aimed at noting and using the creation factor enjoying QSPM matrix. Similar tasks were done in this area, for example, a production company, using the multi-criteria decision-making method (TOPSIS) managed to explore the suitable strategy. They managed to achieve their expected goals of Blue Ocean Strategy in a service organization studying the strategic situation maps of the organization and implementing the knowledge management. It is hoped that this action serves as an introduction to development of the other producing companies of the country whereby exploration and implementation of the required new ideas by the industry brings about progress and development.

REFERENCES

- [1] Ailton Conde Jussani (2010), reflections on blue ocean strategy: A comparison with ansoff's, porter's and hax and wilde's strategies, future SRJ Journal, p 17-35
- [2] Aron O' Cass, Liem Viet Ngo, Nima Heirati (2012), Examining market entry mode strategies via resource-based and institutional influences: Empirical evidence from a region-within-country economy context, Australasian marketing journal 20, P 224-233
- [3] Andrew Burke, Andre Van Stel, Roy Thurik (2010), Blue Ocean vs. Five factors, Harvard Business Review.
- [4] Changsu Kim, Kyung Hoon Yang, Jaekyung Kim (2008). A strategy for third-party logistics systems: A case analysis using the blue ocean strategy, Omega 522 – 534
- [5] Chan Kim, Renee Mauborgne (2005), Blue Ocean Strategy
- [6] Dmitrij Kabukin (2014) Reviewing the Blue Ocean Strategy: Is the blue ocean strategy valid and reliable?, University of Twente.
- [7] Fred R. David (2010), Strategic Management Concepts and cases, 13 th edition.

F. Author *et al.*

- [8] Finlay, P., Strategic Management Person Education Limited (2000).
- [9] Institute of Bankers of Sri Lanka (2011), Banking foresight: Blue ocean strategy for integrated development, nd Anniversary convention.
- [10] Jaka Lindic, Mojca Bavdaz, Helena Kovacic (2012), Higher growth through the Blue Ocean Strategy: Implications foreconomic policy, Research Policy 928 - 938.
- [11] John Pearce, Richard Robinson (2003), Strategic management: Formulation, implementation and Control. English.
- [12] Philip Labahn, Lise Dellazizzo, Cathy Stewart-beaulieu (2012), Blue Ocean strategy, a study in Value innovation, how Canadian Companies compete in today's Economy.
- [13] Shih-Chi Chang (2010), Bandit cellphones: A blue ocean strategy, Technology in Society 219 – 223
- [14] Simon Dusseldorf, E.F.M. Wubben (2012), Bringing Blue Ocean Strategy to FMCG Markets.
- [15] Tompson, A. & Strickland, A. J., Strategic management, Richard D. Irwin Inc., (1993)
- [16] Wight, Pringle & Karoll, Strategic Management. Allyn & Bacon Press, (1992)
- [17] G. Brandli and M. Dick, "Alternating current fed power supply," U.S. Patent 4 084 217, Nov. 4, 1978.