

การรักษาความได้เปรียบในการแข่งขันด้วยกลยุทธ์ความจำเป็น: ยุทธศาสตร์ขององค์กรสำหรับศตวรรษที่ 21

Maintaining Indispensable Competitive Advantage: Corporate Strategy for 21st Century

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บทคัดย่อ

การแข่งขันในการแข่งขันทางธุรกิจ เป็นเป้าหมายสำคัญสำหรับองค์กรต่าง ๆ ซึ่งจากการวิจัยต่างๆ ได้แนะนำกลยุทธ์มากมายที่เป็นประโยชน์ต่อองค์กร อาทิเช่น ความได้เปรียบทางการแข่งขัน, กลยุทธ์น่าน้ำสีคราม, และ องค์กรอมตะ สำหรับวิจัยครั้งนี้ได้ใช้วิธีเชิงประจักษ์ โดยศึกษาธุรกิจในหลากหลายอุตสาหกรรม และ พบว่า กลยุทธ์ความจำเป็นเป็นอีกหนึ่งกลยุทธ์ที่นำไปสู่ความสำเร็จสำหรับองค์กร โดยพบว่า องค์กรสามารถใช้วิธีการต่าง ๆ เพื่อเข้าสู่กลยุทธ์ความจำเป็นได้ ซึ่งประกอบด้วย 1) การสร้างนวัตกรรม 2) การรักษาความเกี่ยวเนื่อง และ 3) การสร้างสายสัมพันธ์ทางธุรกิจ หรือการคุบรวมกิจการกับหุ้นส่วนทางธุรกิจที่เหมาะสม

คำสำคัญ : กลยุทธ์ความจำเป็น, ความได้เปรียบในการแข่งขัน, กลยุทธ์

Abstract

Winning business competition is one ultimate goal of most organizations. Many literatures suggest various strategies to support organizations' strategy such as competitive advantage, blue ocean, and built to last. This paper uses empirical study to analyze the key success factor of organizations in various industry and found that indispensability is a key success factor. Indispensability is the ability of firm to be undeniably from their customer. In addition, this paper has suggested 1) innovation 2) stay relevant and 3) business connections and merger with the right partner as three main approach toward indispensability.

Key words: Indispensability, Competitive Advantage, Strategy

Introduction

In the year 2017, W. Chan Kim and (Kim & Mauborgne, 2017) Mauborgne the renowned author of “Blue Ocean Strategy” have support their global bestseller by their new book “Blue

Ocean Shift”. To shift from Red Ocean to Blue Ocean, Kim and Renée suggested that Value Innovation on both disruptive creation, and disruptive creation through market-creating tools

with guidance and humanness in the process is the secret key (Kim & Mauborgne, 2017).

Researcher argued that not all company can sustain in their Blue Ocean persistently. For example, Apple Inc. has a great success with smartphone industry once it steps into uncontested market space for touch screen device. Soon new OS named Android from Google has step into the market and shift the Blue Ocean to Red Ocean in just a short period of time.

Steve Job's the CEO of Apple Inc. is one of the move disruptive CEO in Silicon Valley. After he pass away on October 5, 2011, it has created a big change to Apple Inc. To maintain the position of the empire Apple Inc. need to reshape its organization as well as the successor of Jobs. Jim Collings and Jerry Porras suggest the common traits of companies that remained success across generations "Clock Builders". The ability of CEO to create a system that can keep going no matter who is in charge (Collins & Porras, 1994).

In their book, "Built to Last", Jim Collings and Jerry Porras argued that the most important factor for company long term success is not disruption, or competition but "Core Value". Researcher viewed that "Value Innovation" is just one part of "Core Value". The broader definition of core value should be "indispensability" or the ability for firm to maintain their indispensable toward their stakeholder.

1. Red and Purple or Purple Ocean

In 2004, in the Harvard Business Review, Kim and Rénee proposed the concept of Blue Ocean strategy for the first time. They suggested that Blue Ocean refers to an untapped market space, which provides little or no competition for anyone who is diving in (Kim & Mauborgne, 2005).

They also suggested that most of the strategy today leads to Red Ocean or a saturated market. Nithisathian and et al., suggested that there are two more oceans which are white and black where the focus is on the ethical level of corporate (Nithisathian, Sujarittanonta, Fan, & Walsh, 2016).

Some literature argues that there is another ocean in between that is called Purple Ocean Strategy (Saratid, 2011). Just as Blue Ocean Strategy states that a Red Ocean Strategy (Competitive Strategy) does not guarantee success for the firm, a Purple Ocean strategy also claims that Blue Ocean strategy cannot guarantee the business success in the long run, since the Blue Ocean strategy will finally turn Red (Nithisathian & Walsh, Purple Ocean Strategy Concept Paper: Content Analysis from Interviews and Literature Review, 2013). In the real business world there might not be a real Blue Ocean, but rather Red and various shades of Purple Ocean (Barwise & Meehan, 2012).

Though literature agrees the existence of Purple Ocean strategy, none has concluded the main characteristics of this Ocean. Still several new suggestions may be found in today business literature.

Joe Leung (Liang Yongzhon), founder of organizational learning consultancy limited, was among the first scholars to propose the "Purple Ocean strategy". According to the Leung study, he stated that an enterprise must master five main elements, namely: competence, customer, cash, cost and counterpart, to be well positioned in the "purple oceans". He believes that for an enterprise to excel, the leaders are obligated to understand consumers' behaviors and adjust strategies to social development. Even

technological innovation is not as important as mindset innovation. If the leadership does not have an innovative mindset, there could hardly be any technological innovation (梁永忠, 2010).

2. Competitive Advantage

Competitive Advantage can also be named as Positional advantage (Kaleka & Morgan, 2017) since competitive advantage can be derived from specific resources as well as market positions (Caves, 1984). It is the customer's perceptions of a firm's offering in the specific market that is different from other competitors (Day & Winsley, 1988).

A competitive advantage is the degree to which a firm is able to gain and retain a leading position over its competitors through creating value for its customers (Feng et al., 2010; Porter, 1980). The firm ability to create competitive advantage depends on barriers to acquisition, limitations and substitution of the key resources (Porter, 1980; Amit & Schoemaker, 1993). Three major types of resources that provide the competitive advantage to a firm are: 1) Physical capital resources (i.e. the firm's plant, building, equipment, and finances); 2) Organizational capital resources (i.e. the firm's structure, planning, strategy); and 3) Human capital resources (i.e. management expertise and judgement, skills, know-how) (Barney & Wright, 1998).

The key resources of the firm's unique, scarce, inimitable, durable, non-substitutable or intangible resources (Barney, 1991; Oliver, 1997). The relationship between the characteristics of the firm's resources and the quest for competitive advantage—known as VRIO

framework, have received considerable attention in the field of management.

Thus, the firm's ability in selecting, accumulating, deploying, and managing those resources in order to create the competitive advantage can ultimately enable the firm to maintain competitiveness, which, in turn, help to earn the above average return (Barney & Wright, 1998; Barney, 1995, 1991; Hart, 1995). And those resources must be value, scarcity, and limited opportunity for replication (Barney, 1991; Hart, 1995).

3. Sustainable Competitive Advantage

Sustainable competitive advantage or SCA is an important matter for business since it secures the long-term success for the firm. The sustainability of competitive advantage depends mostly on the isolation mechanisms (i.e. property rights protection and causal ambiguity) or factors that stop competitors from neutralizing a higher performance in a given circumstances and which can the firm may be obtained by innovation, organization evolution and firm's position (Besanko, Dranove, Shanley, & Schaefer, 2013). Once again, according to the VRIO framework, the firm's resources must meet the key characteristics in order to gain the sustainable competitive advantage (Barney & Wright, 1998).

4. Indispensable

Marriam-Webster define indispensable as (1) the quality of not subject to being set aside or neglected and (2) absolutely necessary, but the origin of the word indispensable may be traced back to the mid-16th century in the sense "not to be allowed to replace or done without". Accordingly, the researcher noted indispensable

as a kind of company that is not to be allowed to replace from the business transaction.

In 2011 Zenger, et al. wrote an article called “Making Yourself Indispensable”. They suggested that strengths are the most important elements (Zenger, Folkman, & Edinger, 2011).

Nithisathian and Walsh stated the ability to be indispensable by a firm's customer is the strategic resources for long term success (Nithisathian & Walsh, Purple Ocean Strategy Concept Paper: Content Analysis from Interviews and Literature Review, 2013).

Researchers founded that indispensable does not mean the largest organization in an industry or the most famous firm, just a company that cannot be denied.

Indispensable is a kind of exit barrier for customers. For example, a photographer who uses a Canon SLR camera will hardly change to Nikon or Sony. The price of a camera is not much different in today's market, but the purchase of a new set of lenses is a huge investment.

Company indispensable can strengthen over time. In the case of Nikon, most of Nikon's SLR camera and lenses made since 1959 are still compatible with each other. However, Canon eliminated compatibility in 1987 when it created a new and completely incompatible system of AF cameras and lenses called EOS. Nothing works together before or after the great autofocus divide of 1987. This creates a hard time for loyal customers since they must rebuy the entire system with new AF gear (Rockwell, 2013).

The concept of indispensable is not the same as Build-to-last. For build-to-last, Jim Collins and Jerry Porras focus more on vision of the firm and the core ideology or BHAG (Big Hairy Audacious Goals) (Collins & Porras, 1997), but

indispensable is focused more on the customer, and especially on how to keep customers with firms with undeniable satisfaction value.

Method

The data used in the investigation are drawn from a study on current marketing activities. The case study was carefully selected based on relevance to indispensable activities, and firms. The researchers use empirical measures of cases to form a concrete finding.

Type of Indispensable

Indispensable is the ability to be necessary for customers as well as the ability to not to be set aside. According to the research, researcher found that there are three main tools that can lead toward indispensable which are innovation, stay relevant, and ability to get connected (business connection) or merger with the right partner.

Innovation

Innovation can define as executing an idea which addresses a specific challenge and achieves value for both the company and customer (Skillicorn, 2016). It is one of the great tools to create indispensable. Svahn, Mathiassen, and Lindgren suggested four concern for today innovation (1) Innovation capability on existing vs. requisite capabilities: the new capabilities without imperilling current product innovation practices (2) Innovation focus on product vs. process innovation: the balance between developing design, management processes, and leveraging technology (3) Innovation collaboration on internal vs. external collaboration: the skills and relationships of people within the innovation

group both internal and external (4) Innovation governance on control vs. flexible governance: the managerial practices and systems that identify creativity and differentiation inside the organization structure (Svahn, Mathiassen, & Lindgren, 2017).

Innovation can be defined as the “adoption of an internally generated or purchased device, system, policy, program, process, product, or service that is new to the adopting organization (Damanpour, 1991). It can also use as a tool for competitive advantage within organizations. Innovation is crucial for organizations to remain competitive and productive (Howell, 2005) in their business industry.

Diffusion of innovations is the process of communicating innovation through certain channels with an organization (Rogers, 2002). Innovation champions should be sought out, recruited, and be supported within organizations that seek to leverage the strategic advantage that innovation may offer (Kentrus, 2017). Adoption of new innovations is a challenge for organization which leads to business competitive advantage. Competitive advantage is the degree to which a firm is able to gain and retain a leading position over its competitors through creating value for its customers (Feng et al., 2010; Porter, 1980).

Nowadays, it is a common belief in both the business and academic world that the human resources of an organization can be a source of competitive advantage because innovation is seen to be function of human capital. Also people management can be a main key source of sustained competitive advantage (Karami et al., 2004). Human resources plays an important role in firm performance and provide the policies for

managing people by integrating with strategic business planning (Panayotopoulou et al., 2003).

The human resources executive must attempt to develop and nurture characteristics of the firm's human resources that cannot easily be imitated by competitors (Barney and Wright, 1998). Effective human resources management systems have the potential to promote organizational innovation and incorporate sophisticated approaches to recruitment and selection, induction, appraisal and training-predict organizational innovation in products and production technology (Shipton et al., 2005).

To manage an innovative workforce effectively, traditional human resources management practices, such as work systems, human resources flows, rewards and employee influence, have to be revised to be in line with the innovative strategy of the organization (Bal et al., 2014). Moreover, by integrating HRM with the new innovative business strategy, employee's performance, the most important asset, will be more effectively improved in their organizational which is vital that obviously leads to business success.

“Epson is a good example of innovator. It has been stated that the daily mission of Epson is to serve their customers by being a leader, innovator and partner (Seiko Epson Corporation, n.d.). The company was founded originally in 1881, K. Hattori & Company was primarily a trading company for clocks and watches which eventually evolved into Seiko Group. The company success began with the development of the first quartz watch in 1969 and has continued for the company with some of the most advanced micro mechanotronics for fine,

precision processing equipment in the industry. Over time, Epson evolved into the printer manufacturer of today (Seiko Epson Corporate, n.d.)

In the 1960s, Epson was known as Seiko Epson and had developed timers and crystal chronometer for the 1964 Olympics in Tokyo. Soon after, the first printer was to be developed called the EP-101. The company continued with technological breakthroughs like the first digital wristwatch and began to create office equipment to meet the electronics market demands in America. In the late 1970s, introduced the MX-80, an inexpensive, reliable dot matrix printer to meet the demand in the rise of the personal computer market. This single product gave the company a 60% share of the dot matrix market. The Epson brand was founded in 1975 with the unveiling of the EP-101 electronic printer with ground-breaking technology and popularity that opened new markets.

The notebook computer in 1982 and the color inkjet printer in 1994 continued to dominate the marketplace. As Epson expanded in the American market they led the field in offering ink jet printers, dot matrix printers, scanners, projectors and more. Since 1993, Epson has also supported the Energy Star Program established in 1992 as part of the EPA (Energy Star, n.d.) to identify and promote energy-efficient products, to reduce energy consumption and carbon dioxide emissions, which contribute to global warming (Stokes) Epson has continually built on and expanded on its traditional strengths as a manufacturer of quality products at competitive prices. Taking super-microprocessing and precision processing technologies used in their development of watches and applying those

technologies to other fields helped Epson rapidly expand. That expansion has continued to this day with continual innovation and improvement of what Epson sees as their mission of being a leader, innovator and partner for their customers to provide recognized high quality, high-value added products into the marketplace.

Another example of innovation company is Balchem. The company was founded in 1967. Balchem provides state-of-the-art solutions with the finest quality products for many industries worldwide. The Company has four main business segments:

1. Human Nutrition & Health

- customized food and beverage ingredient systems and key nutrients for the food, supplement and pharmaceutical industries.
- customized, technology-driven food / beverage solutions
- microencapsulation, powder, flavor and cereal systems for enhanced sensory and nutritional benefits)

2. Animal Nutrition & Health

- proven science and industry-leading technologies with years of success in the feed industry to meet animal nutrition, productivity and wellness needs

3. Specialty Products

- leading supplier of packaged 100 % Ethylene Oxide to healthcare industry
- material shipped in returnable, environmentally safe containers some of which are custom-built that comply with strict regulatory requirements and meet the needs of customers.
- resources and capabilities to repackage a variety of hazardous chemicals safely and

responsibly in containers ranging from bulk tanks to aerosol can

Industrial Products

- Choline Chloride in Clay Stabilization for Oil and Natural Gas Industry.
- more environmentally responsible alternative than other clay stabilizers. - -- Choline Bicarbonate is completely chloride free
- Choline chloride reduces amount of chlorides released into the environment up to 75% (Balchem, n.d.)

Balchem continues its strong operating performance through innovation with some of the largest food and pharmaceutical companies needing their specialty ingredients to maintain the quality and shelf life of their products. While being critical to the needs of these customer's company products, Balchem's additives are very often a very small part of the costs of the products made (Balchem, n.d.)

Stay relevant

Stay relevant means closely connected or appropriate to what is being done or considered (Oxford Dictionaries, n.d.). The offerings more relevant to target customer have highly chance to success in today business world. Put another way, creating customer value is considered one alternative attribute to stay relevant with the customer because of the firm's competitive advantage which is the consumer-oriented strategies; long-term relationship development and long-term relationship maintenance.

In addition, co-creation value role between the customers and the firms is also another one

attribute to stay relevant because customers become valuable sources of information, ideas and knowledge for firms (Djelassi & Decoopman, 2013). Customers and firms' involvement are seen as strategic resources for achieving high quality levels, cost leadership, speedy and reliable delivery, and satisfactory service (Mostafa, 2016).

In order to stay relevant, an organization may need strategy formulation, new research explores the nuances of current and future realities (Elmore, 2010), holistic services, authentic specialization, helping practitioners (Alexandra, 2007), offer better solutions, integrated with current technology, and provide better experience to customer (Richardson, 2017).

Ingredion is an example of company that use stay relevant technique. Ingredion is a leading global ingredients solutions company. Ingredion produces sweeteners, starches, nutrition ingredients and biomaterials that are found in everyday products from foods and beverages to paper and pharmaceuticals.

By turning grains, fruits, vegetables and other plant materials into specialized ingredients they help customers (manufacturers) make crackers crunchy, candy sweet, yogurt creamy, lotions and creams silky, plastics biodegradable and tissues softer and stronger. These ingredients also help keep their customers on trend with basic ingredients and gluten-free or high-fiber foods that appeal to today's consumers.

With approximately 11,000 employees around the world, Ingredion operates in over 100 countries and with 60 diverse sectors, including food, beverage, paper and corrugating, brewing and other industries (Ingredion, n.d.)

Corn Products International, a division of Ingredion, since 1906, has grown into one of the world's largest corn-refining operations. During the early 1900s, Corn Products began international expansion into Europe and in 1919, purchased a corn-refining business in Canada. Their first Latin American business began in 1928 in Argentina and is currently the only monohydrate dextrose producer in South America. In 1967, the Company began production in Malaysia as the country's sole supplier of monohydrate dextrose and glucose syrup solids. This enhanced Corn Products geographic expansion into Asia.

In 1969, Corn Products Company changed its name to CPC International Inc. entered into a new market in 1973 in Kenya as the only corn-wet miller in East and Central Africa. Rapid expansion continued from 1973 to 1995 and in 1997 Corn Products became an independent public company (Copreco, n.d.)

Through constant research, development and innovation, CPO makes and sells various corn-based food ingredients to customers all over the world producing fructose syrups, oils, corn starches and other corn-based food products. What makes CPO indispensable is the production of essential ingredients for things such as salad dressings, carbonated beverages, cooking oils, and pet food as well as pharmaceutical, paper and animal feed industries that rely on corn products. Corn and its derivative products are essential.

The company was rebranded and repositioned in 2010 as a global ingredient maker supplying large food and beverage companies trying to evolve with changing consumer trends.

The Company strategy is to focus on texture. But texture also must deliver sweetness and customers want products that taste good as well as being healthy. They want to know what's on the label. The strongest trends are what the Company focuses on - texture, sweetness and nutrition (Trotter, 2016)

Business connections and merger with the right partner.

For the last few decades, globalization has highly accelerated the global business activities in the world business industry. One of the most popular business activities is the formation of "alliance", which represents an inter-organizational form of cooperation in the global business environment (Liu, 2009). Based on the original framework proposed by Barney (1991), the firm can gain competitive advantage being the interconnected firm by entering strategic alliances with others.

According to the differences of global environment and culture in many countries, business connections and strategic alliances are an appropriate way to reach business success such as; production efficiency, innovative technology development, market expansion, cost reduction, customer loyalty etc.

Alliance could be considered as the mixture of competition and cooperation (Liu, 2009) as it can be a network resources that are external resources embedded in the firm's alliance network providing strategic opportunities and affect firm behaviour and value (Lavie, 2006). By engaging in proactive learning, partners can internalize the resources of the firm (Hamel, 1991). In the service economy era, customer and firm involvement were seen as strategic resources

for achieving high quality levels, cost leadership, speedy and reliable delivery, and satisfactory service (Mostafa, 2016).

Customers become valuable sources of information, ideas and knowledge for firms (Djelassi & Decoopman, 2013) because customers are in a position to generate specific changes in companies' business models and to considerably modify the logic of value creation (Mostafa, 2016). In order to gain and strengthen the competitive advantages, alliance partners are more likely to acquire the critical capability and technology from the other alliance members within an alliance (Liu, 2009) and firms must pool marketing resources and develop reliable, long-term relationship development, and long-term relationship maintenance (Hsu and Tang, 2010).

Apart from that, by interacting with the firm, partners become exposed to the path-dependent process of developing proprietary resources, which therefore become less causally ambiguous and socially complex from the partners' standpoint. Moreover, some business alliance partners benefit from internationalization of important innovative technology and information because these acquirements strengthen their competitive advantage. However, it has been shown that many decision-making approaches suffer from inconsistency and weak transitivity (Wang and Chen, 2007). Understanding this, Herrera et al. (2004) propose reciprocal additive consistent fuzzy preference relations as a way to construct decision matrices for pair-wise comparisons, to ensure greater consistency in decision-makers' preference relations and to avoid inconsistent solutions to decision-making problems.

From the perspective of an individual firm participating in an alliance, causal ambiguity and social complexity have become insufficient for preventing imitation by a business partner when that partner acts as a co-opetitor as interfirm alliances provide partners with opportunities to access resource benefits without obtaining the resources themselves so that imitability is less relevant.

Business connections have crucial impacts on overall aspects of individual firms (Ju, Chen, Lin, & Tsai, 2014).

DeBeers The De Beers Group of Companies, founded in 1888 by British businessman Cecil Rhodes, who was financed by the South African diamond magnate Alfred Beit and the London-based N M Rothschild & Sons bank. Today it is an international corporation that specializes in diamond exploration, diamond mining, diamond retail, diamond trading and industrial diamond manufacturing sectors and sells approximately 35% of the world's rough diamond production through its Global Sightholder Sales and Auction Sales businesses (DeBeers, n.d.).

As the world's leading diamond company, De Beers Group is uniquely positioned to assess the relationship between the diamond value chain and the Sustainable Development Goals.

To promote innovation, De Beers is continually working with key partners and exploring opportunities to engage and contribute to the Sustainable Development Goals, raise awareness of the role diamonds play in sustainable development, and organize positive action across the industry. For over 125 years of success, DeBeers has maintained a leadership position by future-proofing it – for the benefit of

all stakeholders (DeBeers, Our Approach to Sustainability, n.d.)

DeBeers business imperative of doing the right thing has three main reasons:

1. strong mutual interest in working partnerships – partners natural resources and DeBeers ability to create a market for sales.
2. Prosperity for host countries creating predictable environment, effective supply chain and strong infrastructure.
3. Consumer trust creates demand which is the principle source of value.

DeBeers becomes and indispensable entity by what they call 'Building Forever' (DeBeers, About Global Sightholder Sales, n.d.).

The example of merger with right partner is the case of Nordisk and Novo. Harald and Thorvald Pedersen founded Novo Terapeutisk Laboratorium and Nordisk Insulinlaboratorium in 1923 and 1925, respectively, with the aim of producing insulin. Both Nordisk and Novo focused on the developing products to help diabetic patients. Intense competition ensued and continued with both companies developing into two of the best in their field.

A merger of the two in 1989 created Novo Nordisk. The company has since rapidly expanded in areas of diabetes and hemophilia care, growth hormone therapy and hormone replacement therapy (Novo Nordisk, n.d.)

Novozymes was founded in 2000 as a spinout from pharmaceutical company Novo Nordisk and quickly expanded through several acquisitions focusing on business outside the core enzyme business. By acquiring Brazilian bio-agricultural company Turfal and German

pharmaceutical, chemical and life science company EMD/Merck Crop BioScience, Inc. Novozymes became a leader in sustainable solutions for the agricultural biological industry. Through production of enzymes and microorganisms that help industries make more eco-friendly products in areas such as efficient detergents and enhanced animal feeds, Novozymes has helped save 60 million tons of CO2 emissions, improve water efficiency by 9% and energy efficiency by 15%. As part of the United Nation's sustainable development goals to help reduce world hunger and carbon emissions, CEO Peder Holk Nielsen believes Novozymes' task is to "always try to do more with less" (Fortune, n.d.)

Discuss

As been shown in the prior company examples, each company provides products and/or services to improve the quality of life, whether it be energy conservation through more energy efficient equipment, promoting sustainable development goals or improving nutrition and food sources. In each case and with each company, the customer experience is paramount to creating not just an indispensable competitive advantage, but developing a customer relationship with strong customer loyalty.

So what is it that companies must have to maintain indispensable competitive advantage? A few things come to mind.

To maintain indispensable competitive advantage, a company needs to be an indispensable problem solver. It needs to have a face for the customer to see and react to in a very

short period of time. The message has to be valued added and go beyond the customer's expectations. In other words, attracting a customer with a message that has the intrigue to have them wanting to know what the company can do for them. Google is a good example of this, offering a trusted website for information searches as well as a reliable platform for advertisers.

By showing superior product knowledge, indispensable companies will prove they can help the customer. By making a total commitment to help the customer make informed decisions about their products or service, the company goes beyond what is already known and offers an opportunity to create loyalty, expand referrals and explore new opportunities. Research by Cossío-Silva, Revilla-Camacho, Vega-Vázquez & Palacios-Florence (Cossío, Revilla, Vega, & Palacios, 2016) posits that there exists a significant relationship between value co-creation and attitudinal loyalty where the latter also has a significant effect on behavioral loyalty.

Indispensability dictates that it's not just enough to solve an important problem or serve a need. The product or service should have a unique value; it can't be just a "little" better. If the company's product or service has potential substitutes in the market place then it won't be indispensable. It will become replaceable.

Companies also need to recognize that along with customer loyalty, frequent usage is also important. As customers use a company's products, they become accustomed to the type of service they receive. Long term customers can actually contribute to innovation. This type of

continual innovation can be noted in companies like CPC International keeping pace through constant product improvement and development to match customer's needs and changing life styles.

As with most companies today, reliability plays a big role in being indispensable. Being accountable, being open to change and actually going above and beyond whatever problem or need the company's product or service addresses, may be the ultimate key to keeping a company in the position of having indispensable competitive advantage.

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