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Research Article

Mediating Impact of Blue Ocean Strategy on Competitive Advantage in Electronic Sector

Ms. Sugandha Jha
Assistant Professor, SIES (Nerul) College of Arts Science and Commerce (Autonomous)

***Corresponding Author**
Ms. Sugandha Jha

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Abstract: The present study examines the mediating impact of Blue Ocean Strategy on competitive advantage in the electronic sector, focusing on how strategic elements such as Eliminate, Reduce, Raise, and Create contribute to market innovation and organizational performance. The study highlights the growing need for firms to move beyond traditional competitive strategies and adopt innovative approaches to create uncontested market space. Primary data was collected from a sample size of 170 respondents, representing professionals associated with the electronic sector. The findings reveal that all four elements of the Blue Ocean Strategy significantly influence its development, with Create and Raise emerging as the most dominant factors, emphasizing the importance of innovation and value enhancement. Further, the study establishes a strong and statistically significant relationship between Blue Ocean Strategy and competitive advantage ($r = 0.689$, $p < 0.01$), indicating that organizations implementing these strategies are more likely to achieve superior market positioning and performance. The results confirm the mediating role of Blue Ocean Strategy in transforming strategic inputs into competitive outcomes. Overall, the study contributes to existing literature by providing empirical evidence on how value innovation and market creation strategies enhance competitiveness in the electronic sector, offering practical insights for firms aiming at long-term growth and sustainability.

Keywords: Blue Ocean Strategy, Competitive Advantage, Electronic Sector, Innovation Strategy and Market Differentiation.

INTRODUCTION

The electronic sector has witnessed rapid transformation in recent years due to technological advancements, globalization, and increasing consumer demand for innovative products. Organizations operating in this sector face intense competition, shorter product life cycles, and continuous pressure to differentiate themselves in the market. In such a dynamic environment, achieving and sustaining competitive advantage has become a critical challenge for firms. Traditional competitive strategies that focus on outperforming rivals within existing market boundaries are often insufficient, prompting organizations to explore new strategic approaches for long-term success.

One such approach is the Blue Ocean Strategy, introduced by W. Chan Kim and Renée Mauborgne, which emphasizes the creation of uncontested market space rather than competing in saturated industries. This strategy encourages firms to shift from "red oceans" of fierce competition to "blue oceans" of untapped opportunities through innovation, value creation, and differentiation. In the electronic sector, companies adopting blue ocean strategies can introduce breakthrough products, redefine customer value propositions, and eliminate direct competition, thereby enhancing their market position.

The concept of competitive advantage, as highlighted by Michael E. Porter, revolves around a firm's ability to deliver superior value to customers either through cost leadership or differentiation. However, in the modern business environment, achieving competitive advantage is no longer solely dependent on traditional strategies. Instead, it requires innovative approaches that integrate strategic thinking with market creation. Blue Ocean Strategy acts as a catalyst in this process by enabling firms to discover new demand, reduce competition, and improve organizational performance.

In this context, the mediating role of Blue Ocean Strategy becomes significant in understanding how firms in the electronic sector translate strategic initiatives into competitive advantage. It bridges the gap between organizational capabilities, market innovation, and performance outcomes. By examining this mediating impact, the study aims to provide deeper insights into how electronic firms can leverage blue ocean principles to enhance competitiveness, foster innovation, and achieve sustainable growth in an increasingly competitive global marketplace.

REVIEW OF LITERATURE

Kim & Mauborgne (2005), In the research gap "Blue ocean strategy: How to create uncontested market space and make the competition irrelevant" The study concludes that organizations can achieve sustainable growth by creating uncontested market space rather than competing in saturated markets. Blue Ocean Strategy emphasizes value innovation, enabling firms to simultaneously pursue differentiation and low cost, thereby making competition irrelevant and enhancing long-term performance.

Kim & Mauborgne (2015), In the research gap "Blue ocean strategy: Expanded edition" The expanded edition reinforces that systematic tools and frameworks such as the strategy canvas and four actions framework help organizations successfully implement blue ocean strategies. It highlights that innovation-driven market creation leads to higher profitability and reduced competitive pressure.

Porter (1985), In the research gap "Competitive advantage: Creating and sustaining superior performance" The study concludes that competitive advantage is achieved through cost leadership or differentiation strategies, which allow firms to deliver superior value. Sustained performance depends on how effectively a firm manages its resources and aligns activities within its value chain.

Porter, M. E. (2008), In the research gap "The five competitive forces that shape strategy" The research concludes that industry structure, defined by five competitive forces, determines the level of competition and profitability. Firms must strategically position themselves to manage these forces and maintain a strong competitive advantage in the market.

Burke et.al (2010), In the research gap "Blue ocean vs. five forces" The study concludes that while Porter's framework focuses on competing within existing markets, Blue Ocean Strategy provides an alternative by creating new markets. Both approaches are complementary, but blue ocean strategies offer greater opportunities for innovation and growth.

Leavy (2005), In the research gap "Value innovation and blue ocean strategy" The study concludes that value innovation is the cornerstone of Blue Ocean Strategy, allowing firms to break the trade-off between differentiation and cost. Organizations that focus on innovation can unlock new demand and achieve superior performance outcomes.

Lindgren & Rasmussen (2013), In the research gap "The blue ocean strategy and competitive advantage" The research concludes that Blue Ocean Strategy significantly contributes to competitive advantage by encouraging business model innovation and market creation. Firms adopting this approach can improve their strategic positioning and long-term sustainability.

Hwang & Hyun (2013), In the research gap "The impact of blue ocean strategy on firm performance" The study concludes that the adoption of Blue Ocean Strategy positively influences firm performance by enhancing customer value and reducing competition. It highlights that innovation-oriented strategies play a crucial role in improving organizational efficiency and profitability.

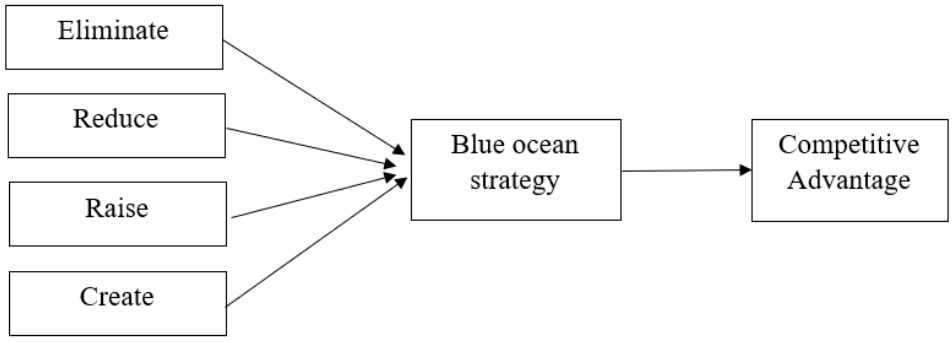
RESEARCH GAP

The above studies collectively emphasize the importance of Blue Ocean Strategy, value innovation, and traditional competitive frameworks in achieving firm performance and competitive advantage. However, a significant research gap exists in integrating these perspectives, particularly in understanding the mediating role of Blue Ocean Strategy between organizational strategies and competitive advantage. Most prior studies focus either on market competition (as highlighted by Michael E. Porter) or on market creation (as proposed by W. Chan Kim and Renée Mauborgne), but lack empirical analysis that connects both approaches within a unified framework. Additionally, there is limited sector-specific research, especially in the electronic sector, examining how blue ocean strategies influence performance outcomes such as innovation, profitability, and long-term sustainability. Furthermore, insufficient attention has been given to measuring how strategic tools like value innovation translate into tangible competitive advantage through mediating mechanisms. Hence, there is a need for comprehensive empirical studies that explore these relationships and provide deeper insights into the strategic role of Blue Ocean Strategy in enhancing competitive advantage.

RESEARCH METHODOLGY

The study adopts a quantitative research approach based on primary data collected through a structured questionnaire using a Likert scale. The sample size consists of 170 respondents, selected using a convenience sampling technique from the electronic sector. Statistical tools such as Pearson Correlation and Friedman Test were applied using SPSS to analyze relationships and differences among variables. The conceptual framework is based on the Four Actions Framework of Blue Ocean Strategy, where Eliminate, Reduce, Raise, and Create act as independent variables influencing Blue Ocean Strategy, which further impacts competitive advantage as the dependent variable. The methodology ensures reliability and validity in examining the mediating effect of Blue Ocean Strategy on competitive advantage.

Model of the Study: -



The diagram represents the Four Actions Framework of Blue Ocean Strategy, where the factors Eliminate, Reduce, Raise, and Create act as key strategic inputs that shape the development of a Blue Ocean Strategy, which in turn leads to achieving Competitive Advantage. Specifically, organizations eliminate unnecessary factors that do not add value, reduce elements that are overemphasized in the industry, raise standards on aspects that enhance customer value, and create new factors that the market has never offered. These combined actions help firms move away from intense competition and instead create new market space, ultimately improving differentiation, innovation, and long-term competitiveness.

DATA ANALYSIS

Demographic Factor

Sr No.	Question	Category	Frequency	Percent
1	Gender	Male	112	65.9
		Female	58	34.1
2	Age of respondent	Up to 30 years	37	21.8
		31 to 40 years	80	47.1
		41 to 50 years	44	25.9
		More than 50 years	9	5.3
3	Qualification of respondent	Graduate	73	42.9
		Post graduate	72	42.4
		Professional degree	25	14.7

The table indicates that out of 170 respondents, 112 (65.9%) are male and 58 (34.1%) are female. In terms of age distribution, 37 respondents (21.8%) are up to 30 years, 80 (47.1%) fall in the 31 to 40 years category, 44 (25.9%) are between 41 to 50 years, and only 9 (5.3%) are above 50 years. Regarding educational qualification, 73 respondents (42.9%) are graduates, 72 (42.4%) are postgraduates, and 25 (14.7%) hold professional degrees, indicating that the majority of respondents are well-educated and fall within the middle-age group.

Objective and Hypothesis

- Objective 1 To Study the element of Blue Ocean Strategy the electronic sector.
- Null Hypothesis H01: There is no impact of element on blue ocean strategy.
- Alternate Hypothesis H11: There is an impact of element on blue ocean strategy.
- To study the above null hypothesis, Correlations test is applied and results are as follows:

Correlations						
		Blue Ocean	Eliminate	Reduce	Raise	Create
Blue Ocean	Pearson Correlation	1	.822**	.851**	.860**	.818**
	P-value		.000	.000	.000	.000
	N	170	170	170	170	170
Eliminate	Pearson Correlation	.822**	1	.660**	.566**	.505**
	P-value	.000		.000	.000	.000
	N	170	170	170	170	170
Reduce	Pearson Correlation	.851**	.660**	1	.625**	.563**
	P-value	.000	.000		.000	.000
	N	170	170	170	170	170
Raise	Pearson Correlation	.860**	.566**	.625**	1	.695**
	P-value	.000	.000	.000		.000
	N	170	170	170	170	170
Create	Pearson Correlation	.818**	.505**	.563**	.695**	1
	P-value	.000	.000	.000	.000	
	N	170	170	170	170	170
**. Correlation is significant at the 0.01 level (2-tailed).						

Interpretation: The above results indicate that calculated p-value is 0.000. It is less than 0.05. Therefore correlation test is rejected. Hence Null hypothesis is rejected and Alternate hypothesis is accepted.

Conclusion: There is an impact of element on blue ocean strategy.

Findings: The correlation table indicates a strong and statistically significant positive relationship between Blue Ocean Strategy and all four dimensions, Eliminate (r = 0.822), Reduce (r = 0.851), Raise (r = 0.860), and Create (r = 0.818), with all p-values at 0.000, which is less than 0.01, confirming significance at the 1% level. Among these, the strongest association is observed with Raise (0.860), followed by Reduce (0.851), suggesting that improving and enhancing value factors plays a critical role in shaping Blue Ocean Strategy. Additionally, the inter-correlations among Eliminate, Reduce, Raise, and Create are also positive and significant, indicating that these dimensions are closely related and collectively contribute to strategic innovation. Overall, the results highlight that the Four Actions Framework elements are strongly linked with the development of Blue Ocean Strategy, reinforcing their importance in achieving strategic effectiveness.
Objective 2 To Study the difference in element impacting of Blue Ocean Strategy.

Null Hypothesis H02: There is no difference in element impacting of Blue Ocean Strategy.

Alternate Hypothesis H12: There is a difference in element impacting of Blue Ocean Strategy.

To study the above null hypothesis, Friedman test is applied and results are as follows:

Test Statisticsa	
N	170
Chi-Square	27.138
df	3
P-value	.000
a. Friedman Test	

Interpretation: The above results indicate that calculated p-value is 0.000. It is less than 0.05. Therefore, chi-square test is rejected. Hence Null hypothesis is rejected and Alternate hypothesis is accepted.

Conclusion: There is a difference in element impacting of Blue Ocean Strategy.

Findings: To understand the findings, element impacting of Blue Ocean Strategy are obtained and presented as follows:

Ranks	
	Mean Rank

Eliminate	2.19
Reduce	2.37
Raise	2.60
Create	2.84

The mean rank table indicates the relative importance of the four dimensions of the Blue Ocean Strategy. Among them, Create has the highest mean rank (2.84), making it the most important factor, followed by Raise (2.60), which also plays a significant role in enhancing value. Reduce (2.37) holds moderate importance, while Eliminate (2.19) has the lowest rank among the four dimensions. This suggests that organizations focus more on creating new value and raising key factors rather than merely eliminating or reducing existing elements, highlighting the importance of innovation and value enhancement in achieving strategic advantage.

Objective 3 To Study impact of blue ocean strategy on competitive advantages in electronic sector.

Null Hypothesis H03: There is no impact of blue ocean strategy on competitive advantages in electronic sector.
Alternate Hypothesis H13: There is an impact of blue ocean strategy on competitive advantages in electronic sector.

To study the above null hypothesis, Correlation test is applied and results are as follows:

Correlations			
		Blue Ocean	Competitive advantage
Blue Ocean	Pearson Correlation	1	.689**
	P-value		.000
	N	170	170
Competitive advantage	Pearson Correlation	.689**	1
	P-value	.000	
	N	170	170
**. Correlation is significant at the 0.01 level (2-tailed).			

Interpretation: The above results indicate that calculated p-value is 0.000. It is less than 0.05. Therefore, correlation test is rejected. Hence Null hypothesis is rejected and Alternate hypothesis is accepted.

Conclusion: There is an impact of blue ocean strategy on competitive advantages in electronic sector.

Findings: The correlation table indicates a strong and positive relationship between Blue Ocean Strategy and Competitive Advantage, with a Pearson correlation coefficient of 0.689, which is statistically significant at the 1% level ($p = 0.000$). This suggests that as the adoption of Blue Ocean Strategy increases, the level of competitive advantage also tends to increase significantly. The high significance level confirms that this relationship is not due to chance. Overall, the findings highlight that implementing Blue Ocean Strategy plays a crucial role in enhancing an organization's competitive advantage, supporting the importance of innovation and market creation strategies in achieving superior performance.

CONCLUSION

The overall analysis clearly concludes that the elements of the Blue Ocean Strategy, Eliminate, Reduce, Raise, and Create, have a significant and positive impact on the development of Blue Ocean Strategy and, in turn, on achieving competitive advantage in the electronic sector. The results confirm that all elements are statistically significant, with *Create* and *Raise* emerging as the most influential factors, highlighting the importance of innovation and value enhancement over mere cost reduction or elimination. Furthermore, the strong positive correlation between Blue Ocean Strategy and competitive advantage ($r = 0.689$, $p < 0.01$) indicates that firms adopting these strategies are more likely to achieve superior performance and market positioning. Hence, the study establishes that Blue Ocean Strategy acts as an effective strategic approach for organizations to create new market space, reduce competition, and enhance long-term competitiveness.

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