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Editorial

Special Issue on Competitive Positioning

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Strategy Science aims to tackle fundamental issues in the strategy field in a rigorous and insightful manner. Often times there is a fair distance between the topics and questions that we pursue in our research efforts and the sorts of discussions we have in our classrooms. In part, this is a natural consequence of the gap between “textbook” and “working paper” knowledge. However, to some degree this loose coupling can be attributed to classroom questions and academic discourse following fundamentally different intellectual trajectories. For the journal’s initial special issue, a conscious choice was made to take on one of our most basic questions in business strategy as an applied discipline—competitive positioning—and a topic for which the gap between research energy and practice centrality is arguably among the greatest.

The articles in this issue help to address that void, both with respect to their particular substantive contributions and, further, by demonstrating the feasibility and intellectual returns to such efforts. Porter’s construct of generic strategies is one of the basic foundations for applied discourse in the strategy field. While there has been diffuse discomfort in the field regarding this stylized treatment of positioning, it is has endured and largely escaped serious academic questioning and theorizing. Adner, Ruiz-Aliseda, and Zemsky develop a value-added approach to address this lacuna. By incorporating the neglected role of economies of scale, they offer us insight regarding the settings in which “generalist” enterprises might thrive and the corresponding settings in which we should observe specialist firms focused around a cost-based or differentiation strategy. Economic forces and logic are a powerful lens through which to understand positioning choices. However, particularly for a nascent industry, the bases by which firms might choose to differ are not well established. Differentiation is not merely a property of the technical features of the product or service, but may also derive from consumers’ understanding and interpretation. Anthony, Nelson,

and Tripsas provide a rich qualitative history of firms vying against one another in the early days of the synthesizer as a commercial product. They show that the critical differentiation among firms was not the technical features of their product but in how they conveyed and sought to evoke in consumers, the fundamental role or purpose of the device: whether it was an efficient substitute for traditional acoustic instruments or a device to play fundamentally new “synth” sounds. Sticking to both the world of music and the substantive concern for industry dynamics, Benner and Waldfogel examine the dramatic impact of changes that digitization enabled (file sharing, unbundling of singles from albums, and streaming) on the recorded music industry. With a rich data set and careful econometrics, they show that the digital revolution has led to an amplification of the bifurcation of the positioning strategies of the “majors” and the “independents.” While there has been much discussion of “disruptive technological change,” Benner and Waldfogel paint a picture not of displacement, all firms adopt the digital technology, but of how that technology links with firms’ existing competitive position and bases of competitive advantage, which jointly leads to the repositioning that they observe. In a similar spirit, Wang and Shaver push our thinking on the nature of repositioning. In their context, it is repositioning prompted by a competitive move by a rival. This is clearly a fundamental and long-standing question in the strategy literature. However, as Wang and Shaver note, the literature has tended to treat repositioning as if a single mode of response (e.g., capacity, price, product positioning) characterizes a rival’s behavior. They point out that a competitive response may be multifaceted and that the different modes of response, product positioning and product entry in their case, likely have important relationships among them. Gavetti and Menon give us an actor-based understanding of the identification of distinct and novel competitive positions. They offer three “lenses” through which

we might understand this question: a deductive process based on the basic economic logic of alternative positions (a “Porterian” view), positioning choices informed by simplified cognitive representations of the firm’s environment, and a nonanticipatory evolutionary process of preadaptation. In their account of Charlie Merrill’s development of a radically novel positioning strategy for Merrill Lynch, they find evidence for all three mechanisms and develop a more

integrated and contextualized conceptualization of efforts at identifying novel competitive positions that recognizes the joint role of history and insight.

Collectively, these articles push our understanding of competitive positioning in important new directions. They also nicely embody some of the key values of the journal, in tackling important substantive questions of the field in an insightful and methodologically and theoretically diverse manner.