

RED OCEAN STRATEGY

Compete in existing market space

Beat the competition

Focus on existing customers

Exploit existing demand

Make the value-cost tradeoff (create greater value to customers at a higher cost *or* create reasonable value at a lower cost)

Align the whole system of a firm's activities with its strategic choice of differentiation *or* low cost

BLUE OCEAN STRATEGY

Create uncontested market space

Make the competition irrelevant

Focus on non-customers

Create and capture new demand

Break the value-cost tradeoff (Seek greater value to customers *and* low cost simultaneously)

Align the whole system of a firm's activities in pursuit of differentiation *and* low cost.