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Competitive strategies and their shift to the future

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Abstract

Purpose – This article aims to describe the valuable work conducted most recently on competitive strategies. Its purpose is to elaborate on suggestions for theorizing the hybrid form of competitive advantage and stimulate the interest of scholars.

Design/methodology/approach – As this article emphasizes hybrid strategies, both electronic and manual methods have detected 15 studies focusing on competitive strategies and their relation to firm performance from 2000 until today.

Findings – This article underlines the need to deal more thoroughly with combined-emphasis competitive strategies, which have seriously enhanced Porter's paradigm, defined in 1980 with three single-emphasis strategic choices. The era in which combining competitive strategies was synonymous with stuck-in-the-middle alternatives has been left behind, and the era in which hybrid strategies suggest the most attractive choices, at least in some circumstances, has already begun.

Originality/value – This article is one of the few stressing conceptual issues of hybrid strategies that emerged from Porter's (1980) model. No matter how many years pass by, research on competitive strategies will continue, as it considers businesses of any age, size, sector or country. The global challenge of today is how scholars will revise theory to better capture reality. This article intensifies the need for a theoretical framework embracing the full variety of competitive strategies, namely, single-emphasis, mixed-emphasis, no-distinctive-emphasis and stuck-in-the-middle. Nonetheless, due to their complex and multidimensional nature, hybrid strategies receive particular attention.

Keywords Competitive strategies, Hybrid form of competitive advantage, Hybrid strategies, Hybridization, Strategic purity

Paper type General review

Introduction

The perspective of business-level strategies in 1980 was a milestone in the strategic management and marketing literature. Until then, strategy was not able to answer the question of how to create competitive advantage in each business unit (also known as the strategic business unit [SBU] level) of a company. Among many theoretical typologies of business-level strategies (or generic or competitive), Porter's (1980) typology of low-cost, differentiation and focus strategies is widely accepted, both academically and practically (Jácome *et al.*, 2002). Nevertheless, just after the birth of these mutually exclusive generic competitive strategies, researchers have raised considerable debate (Li and Li, 2008), and their influence on performance has been critically examined in a wide range of business settings in countries worldwide (Salavou, 2013). Research work reveals firms' choices from a single emphasis on cost, differentiation or focus towards more elaborate repertoires and concludes on the best performance outcomes. In particular, together with studies exploring the issues of choosing the most successful pure strategy (the original idea argues that only strategic



purity leads to superior performance), researchers extended investigations to understand firms successfully pursuing the combination of these strategies, the so-called hybrid, mixed, integrated, combination or mixed-emphasis strategies (Campbell-Hunt, 2000; Salavou and Halikias, 2009; Spanos *et al.*, 2004). Numerous works revolve around two major aspects (Acquaah and Yasai-Ardekani, 2008; Claver-Cortés *et al.*, 2012; González-Benito and Suárez-González, 2010; Kim *et al.*, 2004; Pertusa-Ortega *et al.*, 2009), namely, the compatibility or incompatibility between pure strategies and the convenience of combining pure strategies to improve organizational performance and better adapt to the environment. The initial empirical evidence favoured strategic purity. Nevertheless, today, we are experiencing an era characterized by a shift in emphasis from the pure to the hybrid form of competitive advantage. The evidence in favour of the hybrid strategy combinations is ever-increasing, especially in Europe, stressing that they suggest more successful choices than pure and strategy-less ones.

The aim of this paper is to describe the valuable work conducted most recently on Porter's (1980) competitive strategies and to comment on the hybrid form of competitive advantage. First, this paper serves as an overview of the Porter's (1980) competitive strategy perspective from its conception until today. As such, it advances the understanding of the fundamental strategy question this perspective raises as well as the reasons behind the absence of a broad consensus on this question. Second, this paper discusses the empirical evidence on competitive strategies from 2000 onwards to emphasize the revised perspective of hybridization. Finally, based on concerns about the future of the competitive strategy paradigm, this paper is one of the few stressing conceptual issues on hybrid strategies and hopes to stimulate scholars' move towards an after-paradigm state.

The following section of this article discusses Porter's (1980) original idea of strategic purity, whereas the third section describes the shift in emphasis from pure to hybrid strategies. The fourth section elaborates on suggestions that help the competitive literature evolve, while the final section concludes.

The original idea: Porter's (1980) strategic purity

Until 1980, strategy was thought of on two levels: the corporate and the functional. Corporate strategy concerns the long run and suggests a technique for attaining the long-term goals of a company as a whole. Functional strategy concerns the short run and refers to a technique serving the goals of each separate business function, such as marketing, sales, production and finance, on an annual basis. In 1980, Michael Porter published *Competitive Strategy*, the most influential book on strategy of the time (González-Benito and Suárez-González, 2010). His book introduced the idea of competitive (or generic or business-level) strategies for ascribing particular attention to an intermediate level, the business or SBU level. After the publication of the book, corporate strategy involved questions of in what businesses the corporation should be involved and how the corporate level should manage its array of business units (Porter, 1987). Competitive strategy concerned the question of how to create competitive advantage in each of the business units in which a company competes.

Despite many typologies, such as those proposed by Miles and Snow (1978), Hofer and Schendel (1978) and Dess and Davis (1984), and various attempts at their integration (Parnell, 1997), Porter's (1980) was the most dominant framework of competitive strategies (Figure 1) within the strategic management literature of the time, and his

Figure 1.
Porter's (1980)
competitive
strategies

<i>Broad</i>	Low cost strategy	Differentiation strategy
	Focus market, Cost strategy	Focus Market, Differentiation strategy
<i>Narrow</i>		
	Source of competitive advantage	
	Cost	Differentiation

framework was inherently tied to firm performance (Kim *et al.*, 2004). The initial theory of this descriptive scheme consisted of two elements: first, a classification of competitive strategies at the business level according to the scope of the target market (narrow or broad market scope) and the source of competitive advantage (cost or differentiation), and second, a theoretical proposition regarding the effect of business strategy on business performance (Campbell-Hunt, 2000; González-Benito and Suárez-González, 2010). According to Porter (1980, 1985), only strategic purity leads to superior performance. Combining generic strategies causes most businesses to be stuck-in-the-middle, thus resulting in poor performance.

In particular, the strategy of low cost (or cost leadership) involves giving consumers value comparable to that of other products but at a lower cost (Porter, 1986). This strategy can provide above-average returns because its adherents can lower prices to match those of their most efficient competitor and still earn superior profits (Miller and Friesen, 1986). The strategy of differentiation requires that a firm either create a product or provide a service that is recognized as being unique, thus permitting the firm to command higher-than-average prices. Because of the loyalty then created for the brand, demand will be price-inelastic, leading to higher profit margins for the manufacturer (Aulakh *et al.*, 2000). The strategy of focus, based either on low costs or differentiation or both (Karnani, 1984), involves serving a segment that is specialized in terms of a limited geographic market, a certain kind of customer or a narrow range of products, and doing so more effectively or efficiently than competitors who are competing more broadly. Companies start by adopting a focused strategy but acquire a dominant position in the global marketplace, the so-called hidden champions (Voudouris *et al.*, 2000), not only manage to successfully compete against the large multinationals but also prosper in terms of better-than-average profits and strong growth rates.

Each of these competitive strategies is concerned with how a firm develops an advantage with respect to competitors in the same industry or similar environments of a domestic market and how a firm develops relative merits in terms of performance outcomes.

Porter's (1980) theory stressing the strategy-performance relationship at the business level received widespread recognition and acceptance. The issue of strategies being

mutually exclusive has produced a plethora of empirical evidence (Campbell-Hunt, 2000). Table I reports empirical studies which favour strategic purity in countries from various continents, such as Europe (Green *et al.*, 1993; Marques *et al.*, 2000; McNamee and McHugh, 1989), Asia (Kim and Lim, 1988; Liff *et al.*, 1993) and America (Prince, 1992).

Nonetheless, research on Porter's competitive strategies has intensified the need for investigations beyond strategic purity, as they have detected certain problems associated with pure strategies (Beal and Yasai-Ardekani, 2000; Miller, 1992a, 1992b). Below, we express some of them:

- Companies focusing on one pure strategy may be less responsive to market changes and maintain lower agility and flexibility in offering products that focus both on costs and on specific product features.
- Strategic specialization may leave serious gaps or weaknesses in product offerings and ignore important customer needs that could be detrimental to companies.
- Pure strategies are easy to imitate, and companies adopting them may be at a disadvantage compared to those that combine them in a creative way and benefit from multiple sources of advantage.

To conclude, Porter's (1980) original idea introduced a new level, namely, the business level, in theorizing the strategy-performance relationship, which is central within the strategic management literature (González-Benito and Suárez-González, 2010). No matter how much the present deviates from the past, Porter's descriptive scheme certified three new single-emphasis strategic options with the potential to improve business performance.

The revised idea: hybridization

As this paper is one of the few stressing conceptual issues on the hybrid form of competitive advantage (Pertusa-Ortega *et al.*, 2009), this section will discuss why hybrid strategies appear and their relation to organizational performance. To detect the studies on hybrid strategies from 2000 onwards, we conducted an initial search using Scopus database in late 2013. We also checked the references of these studies to confirm the results of the database and find more relevant studies. Both electronically and manually, the only restriction was that a study be published from 2000 until today.

Why did hybrid strategies appear?

Just after the birth of Porter's (1980) mutually exclusive generic competitive strategies, their influence on performance has been critically examined in a wide range of business settings in countries worldwide (Li and Li, 2008; Salavou, 2013). Consensus concerning the strategy-performance at the business level has been slow to develop (Parnell, 1997). Although Porter (1980) and other researchers (Dess and Davis, 1984; Parnell, 1997) have strongly supported the strategic purity perspective, numerous works since 1986 have fuelled a debate whether pure strategies can be compatible and jointly result in better business performance (Acquaah and Yasai-Ardekani, 2008; Claver-Cortés *et al.*, 2012; González-Benito and Suárez-González, 2010; Kim *et al.*, 2004; Pertusa-Ortega *et al.*, 2009). Hill (1988) argues that the low cost-differentiation dichotomy's key shortcoming is that these two strategic imperatives are neither opposites in the purest sense, nor are they always mutually exclusive. Along this line, the main argument in this debate is that a

Table I.
Empirical studies on
Porter's (1980) model
in countries outside
its origin (USA)

Authors	Type/methodology	Main findings	Performance measures	Sector	Country
Green <i>et al.</i> (1993)	Empirical/factor analysis	The results indicate the utility and applicability of Porter's typology in defining the behaviour of Portuguese industrial companies	–	Manufacturing	Portugal
Kim and Lim (1988)	Empirical/cluster analysis	Firms that pursued one of the pure strategies (low-cost, differentiation) performed better than firms that pursued combination strategies (stuck-in-the-middle)	Objective measures: return on assets, return on equity and sales growth rate	Electronics	Korea
Liff <i>et al.</i> , 1993	Empirical study/factor analysis	The results showed the applicability of Porter's (1980) framework	–	Watch manufacturing	People's Republic of China
Marques <i>et al.</i> (2000)	Empirical/cluster analysis	Two groups of firms with positive returns on equity pursue cost leadership strategies	Objective performance ratios: market share, growth rate in sales, return on equity,	Crystal glass	Portugal
McNamee and McHugh (1989)	Empirical/descriptives	Firms which are most differentiated perform best	equity/liabilities, solvability	Clothing	Ireland
Prince (1992)	Empirical/cluster analysis	The results confirmed that construction companies follow a classification of strategy type, which is similar in structure to Porter's (1980) generic strategies of cost leadership, product differentiation and focus	Subjective measure reflecting the degree of commitment (i.e., marketing, design) against average net profit before tax for firm size	Construction	Canada

low-cost strategy and a differentiation strategy can both lead to success, although each one's advantages require different resources and organizational configurations (González-Benito and Suárez-González, 2010).

At first, nobody paid particular attention to hybrid strategies. Why? The first most likely reason was that research for 12 years had mixed up hybrid strategies with stuck-in-the-middle strategies (Pertusa-Ortega *et al.*, 2009; Spanos *et al.*, 2004). Today, it is clear that hybrid strategies are very different from stuck-in-the-middle strategies, as the former denotes competitive behaviour that emphasizes more than one generic strategy, and the latter refers to the lack of distinctive emphasis on any particular strategy (i.e. average emphasis on all generic strategies). Alternatively, stuck-in-the-middle strategies reflect a firm's unwillingness to make choices about how to compete (Pertusa-Ortega *et al.*, 2009) or a non-competitive advantage with high costs and low differentiation. To further mark their difference, researchers claim that a stuck-in-the-middle strategy is by definition a particular underdeveloped form of a hybrid strategy (Salavou, 2010; Spanos *et al.*, 2004). If this is so, then another argument explains why it took so long for hybrid strategies to become a subject worthy of empirical investigation. On the contrary, stuck-in-the-middle strategies have maintained their appeal based on increasing evidence that they are preferable to no-strategy alternatives (Salavou, 2010). A second reason for overlooking hybrid strategies was that researchers strongly supported Porter's (1980) notion. For example, Hambrick (1983) looked for firms following hybrid strategies within certain mature industries but did not find any. In addition, Parnell (1997) provided support that firms combining strategies might do so in such haphazard manners that they would end up with poor performance.

Despite these two reasons, there was a point in time when the revised idea of hybridization finally started to take hold. The meta-analysis of Campbell-Hunt (2000) reported two sound arguments. First, there is a difference between theory and practice. The original model's theory of performance fails to provide one universal explanation based on the presence or absence of specialization in competitive strategies. The accumulated evidence of the empirical record (1980-2000) suggests that the strategies of Porter's (1980) original model are part of the reality. In practice, firms adopt a greater variety of competitive strategies that go far beyond the three pure strategies created by theory, as shown in Table II. Consequently, this model should be revised to mark the progress within the competitive strategy literature. Second, the dimensional approach, as opposed to the taxonomic, empiricist and nominalist approaches, offers a more powerful language with which to describe a competitive strategy. Along this line, it allows for more complex and multidimensional strategic profiles that might be more safe against competitors and of higher profitability (Pertusa-Ortega *et al.*, 2009; Spanos *et al.*, 2004).

To conclude why hybrid strategies, as opposed to pure strategies, are so welcome in this day and age, Table III provides simple arguments based on a comparative view. More specifically, hybrid strategies capture reality, as they offer many strategic options of "grey shades" at the business level for firms, irrespective of the sector they are in. Thus, companies that combine several factors related to low costs and differentiation may yield multiple sources of advantage over rival firms. Furthermore, these strategies follow the flexible dimensional approach, rather than the rigid taxonomical approach. In particular, they improve the original framework by supporting alternative, inconsistent

Table II.
Competitive strategies from 2000 onwards based on Porter's (1980) model in terms of the dimensional approach

Study	Differentiation-related	Cost leadership-related	Other	Hybrid type: No (structure)
Acquaah and Yasai-Ardekani (2008)	Differentiation	Cost leadership	Stuck-in-the-middle	Combination: 1 (cost leadership and differentiation)
Beal (2000)	Innovation differentiation (ID), marketing differentiation (MD), quality differentiation (QD) and service differentiation (SD)	Low cost leadership (LC)		Hybrid: 4 (1: average of ID and QD, 2: average of ID and MD, 3: average of LC and QD, 4: average of LC and SD)
Claver-Cortés <i>et al.</i> (2012)	Innovation differentiation (ID) and marketing differentiation (MD)	Low cost (LC)		Hybrid: 1 (high LC, high ID, high MD)
Gopalakrishna and Subramanian (2001)	Differentiation	Cost Leadership	Undeveloped	Comprehensive: 1 (differentiation and cost Leadership)
Jácóme <i>et al.</i> (2002)	Classic differentiation and time-based differentiation	Cost leadership through improving actual products and production processes and cost leadership through innovation in the production processes	Mix focus (stuck-in-the-middle)	
Kim <i>et al.</i> (2004) Leitner and Guldenberg (2010)	Focused differentiation Differentiation by quality and differentiation by innovation	Cost-leadership Cost-efficiency	Strategy changed and no strategy	Combination: 2 (1: cost-efficiency and differentiation by quality, 2: cost-efficiency and differentiation by innovation)
Li and Li (2008)	Differentiation	Cost leadership		Dual: 1 (differentiation and cost leadership)

(continued)

Study	Differentiation-related	Cost leadership-related	Other	Hybrid type: No (structure)
Ortega (2010)	Marketing orientation	Cost leadership orientation	Improvement orientation, human group orientation, quality orientation and specialization orientation	
Pertusa-Ortega <i>et al.</i> (2009)	Innovation differentiation (ID) and marketing differentiation (MD)	Cost leadership (C)	Stuck-in-the-middle	Hybrid: 7 (1: high C, high ID, high MD, 2: average/low C, high ID, high MD, 3: high C, high ID, average/low MD, 4: high C, average/low ID, high MD, 5: average/low C, high ID, average/low MD, 6: average/low C, high average/low ID, high MD, 7: high C, average/low ID, average/low MD)
Salavou and Halikias (2009)	Differentiation (D) and differentiation focus (DF)	Low cost (LC)	No strategy (low LC, low D, low DF)	Hybrid: 2 (marketing-based: medium LC, high D, medium DF; hybrid ² : high LC, medium D, high DF)
Salavou (2010)	Differentiation (D) and differentiation focus (DF)	Low cost (LC)	No strategy (low D, low DF, low LC) and confused (low LC, medium D, low DF)	Hybrid ³ : 1 (high LC, medium D, high DF)

(continued)

Table II.

Study	Differentiation-related	Cost leadership-related	Other	Hybrid type: No (structure)
Salavou (2013)	Differentiation focus (DF)	Low cost focus (LCF), low cost (LC)	Cost focus (low LC, low DF, high LCF), confused (medium LC, medium DF, low LCF)	Hybrid: 1 (high LC, high DF, high LCF)
Spanos <i>et al.</i> (2004)	Marketing-based differentiation (MD) and technology-based differentiation (TD)	Low cost (LC)	Stuck-in-the-middle, no strategy	Hybrid: 7 (1: high LC, high MD, high TD, low LC, high MD, high TD, 3: high LC, average/low MD, high TD, 4: high LC, high MD, average/low TD, 5: average/low LC, average/low MD, high TD, 6: average/low LC, high MD, average/low TD, 7: high LC, average/low MD, average/low TD)
Walsh <i>et al.</i> (2008)	Differentiation	Low-cost	–	Hybrid: 1 (combination)

Notes: Marketing-based strategy resembles hybrid type 11 in Table IV; Hybrid strategy resembles type 5 in Table IV; Hybrid strategy resembles type 5 in Table IV

and incompatible methods to achieve a competitive advantage, insisting that costs and differentiation are important dimensions of strategic positioning (Miller, 1988).

What about hybrid strategies and performance?

As already mentioned, the hybrid strategies denote competitive behaviour that emphasizes more than one generic strategy. Based on the dimensional approach, hybrid strategies appear to be vast and varied. In particular, firms adopting these strategies may choose from two generic dimensions towards more elaborate repertoires. Based on Porter's (1980) model, for example, there are 16 possible types of hybrid strategies with different emphases on the three pure strategic dimensions, as reflected in Table IV. These strategies range from those that simultaneously emphasize three generic dimensions to those that emphasize just one, with the remaining two dimensions being given an average or low emphasis. Table IV lists all types of strategies based on Porter's (1980) generic dimensions, namely, single-emphasis, stuck-in-the-middle, no-distinctive-emphasis and mixed-emphasis.

<i>Original idea: Porter's model of strategic purity</i>	<i>Revised idea: hybridization</i>	
Creates strategic options based on theory	Creates strategic options based on facts	Table III. Original idea versus revised idea
Gives a model comprising three pure strategies at the business level	Suggests many hybrid strategies at the business level	
Offers "black or white" strategic options	Offers "grey shades" strategic options	
Defends a taxonomical approach	Defends a dimensional approach	
Fits to sectorial analysis	Fits either to sectorial or multisectorial analysis	

	Low cost	Differentiation	Focus	
Pure strategy type 1	High	Low	Low	Table IV. Types of strategies based on Porter's (1980) generic dimensions
Pure strategy type 2	Low	High	Low	
Pure strategy type 3	Low	Low	High	
Stuck-in-the-middle type	Average	Average	Average	
No strategy type	Low	Low	Low	
Hybrid strategy type 1	High	High	High	
Hybrid strategy type 2	High	High	Low	
Hybrid strategy type 3	High	Low	High	
Hybrid strategy type 4	High	High	Average	
Hybrid strategy type 5	High	Average	High	
Hybrid strategy type 6	High	Average	Average	
Hybrid strategy type 7	High	Low	Average	
Hybrid strategy type 8	High	Average	Low	
Hybrid strategy type 9	Average	High	High	
Hybrid strategy type 10	Average	High	Low	
Hybrid strategy type 11	Average	High	Average	
Hybrid strategy type 12	Average	Average	High	
Hybrid strategy type 13	Average	Low	High	
Hybrid strategy type 14	Low	High	High	
Hybrid strategy type 15	Low	High	Average	
Hybrid strategy type 16	Low	Average	High	

On top of that, researchers could develop hybrid strategies consisting of generic dimensions based on the revised models. Table II illustrates how different works after 2000 enrich the competitive strategies beyond Porter's (1980) model and establish dimensions, some of which form hybrid strategies. Among these dimensions, research studies pay particular attention to different types of differentiation (e.g. marketing differentiation).

Recently, researchers (Pertusa-Ortega *et al.*, 2009; Spanos *et al.*, 2004) have supported the notion that the more complex and multidimensional the profile of a hybrid strategy, the more balanced and defensible its strategic position will be. In other words, a combination of three generic dimensions being simultaneously emphasized is better than a combination of two, which in turn is better than a combination where just one is distinctive, and the remaining two are given an average or low emphasis.

Recently, the competitive strategy literature (Claver-Cortés *et al.*, 2012; Pertusa-Ortega *et al.*, 2009; Spanos *et al.*, 2004), defending the notion that pure strategies are compatible or that their simultaneous pursuit cannot be precluded, summarizes the following arguments:

- Reaching a strong position in one strategy allows improvements in the position of the other strategy.
- Certain business practices or management techniques, such as quality management, make it possible to improve more than one position.
- Hybrid strategies that combine competitive advantages based on low cost and differentiation are more difficult to pinpoint and imitate.
- Hybrid strategies avoid strategic specialization, which can be dangerous if it leaves weaknesses in product offerings and ignores important customer needs.
- Hybrid strategies are more flexible and are therefore better able to respond to changing customer preferences and needs and shifting market landscapes.
- Hybrid strategies may help a company secure several sources of advantage and thus become more balanced.

Based on these arguments, the Canadian work of Thornhill and White (2007) has contrasted pure and hybrid strategies, thereby confirming how much research work has shifted its focus. In 1980, when Porter's (1980) model was created, the research question was *which* one of the three pure strategies led to higher performance at the business level. Today, the research question is much wider and reflects the following dilemma: "Does pursuit of a pure business strategy (and which one of the three) or of a hybrid business strategy (and of what structure) lead to superior performance?"

Recent empirical evidence on competitive strategies (Gopalakrishna and Subramanian, 2001; Proff, 2000), supports the view of Miller (1992) that strategies combining low costs and differentiation elements would be most appropriate in periods of hypercompetition. On top of that, the body of empirical evidence showing that hybrid strategies can lead to success, at least in certain circumstances, is growing (Li and Li, 2008). Table V exhibits the 15 studies we have traced based on electronic and manual methods. These studies favour the use of hybrid competitive strategies to achieve better business performance, all conducted after the meta-analysis in 2000. Researchers from countries in dissimilar national contexts and various continents, such as Africa, America, Asia and especially Europe, respond to the meta-analytic findings and focus

No.	Authors	Type/methodology	Main findings	Performance measures	Approach/sector	Country
1	Acquaah and Yasai-Ardekani (2008)	Empirical/regression analysis	There is a significant performance benefit to firms that pursue a combination strategy over those that pursue the low cost strategy (but not the differentiation strategy) in transition economies	Composite subjective measure based on the average of the scores of two measures, namely, the performance of the company relative to their competitors in terms of return on sales and return on assets	Dimensional/multisectorial	Ghana
2	Beal (2000)	Empirical/ANOVA, <i>t</i> -tests	Effective scanning of the environment is seeing as necessary to the successful alignment of hybrid strategies with environmental requirements and the achievement of outstanding performance	Composite subjective measure based on the level of chief executive officers' satisfaction with their firms' performance criteria weighted by their respective importance to their firms	Dimensional/manufacturing (six industrial categories)	USA
3	Campbell-Hunt (2000)	Meta-analysis/logistic regression	In 10 of the 17 studies that investigated performance issues, neither single strategies nor combination strategies show significantly higher frequency	Financial return and growth	–	–
4	Claver-Cortés <i>et al.</i> (2012)	Empirical/regression analysis	Hybrid competitive strategy influences firm performance positively	Subjective measure: firm performance (using six reflective items) assessed for three years in comparison to main known competitors	Dimensional/multisectorial	Spain

(continued)

Table V.
Research studies on
hybrid strategies
from 2000 onwards

Table V.

No.	Authors	Type/methodology	Main findings	Performance measures	Approach/sector	Country
5	Gopalakrishna and Subramanian (2001)	Empirical	Organizations that followed a combination of cost leadership and differentiation strategies ("hybrids"), in general, had the best performance of all groups on a variety of performance measures	Subjective measure: firm performance measures (for each measure a weighted average was computed multiplying the "satisfaction" score with the "importance" score)	Dimensional/multisectorial (manufacturing & service)	India
6	Kim <i>et al.</i> (2004)	Empirical/cluster analysis	Integrated strategies will outperform pure strategies	Subjective measures of revenue, growth rate, growth potential, profit and overall firm performance	Dimensional/multisectorial e-businesses	Korea
7	Leitner and Guldenberg (2010)	Empirical/one-way tests and regression analysis	SMEs that pursue a combination strategy achieve equal or greater financial performance in the long run than SMEs with pure strategies	Three performance indicators: average profitability (subjective), turnover growth (objective) and employment growth (objective)	Dimensional/manufacturing	Austria
8	Li and Li (2008)	Empirical/regression	The impact of dual strategies on financial performance is stronger for foreign firms than domestic firms	Return on Assets (ROA)	Dimensional/multisectorial	China

(continued)

No.	Authors	Type/methodology	Main findings	Performance measures	Approach/sector	Country
9	Pertusa-Ortega <i>et al.</i> (2009)	Empirical/regression analysis	Hybrid strategies tend to be associated with higher levels of firm performance	Subjective measure: firms relative performance over the previous three years weighted with the corresponding score for the degree of importance assigned by the company to the generic strategies dimensions	Dimensional/multisectorial	Spain
10	Salavou and Halikias (2009)	Empirical/cluster analysis	The hybrid form of competitive advantage, although dominant, does not offer the most profitable strategic choice for Greek firms competing in the international arena	Subjective measure of export profitability: binary construct (0 refers to lower profit margins of the sales abroad as compared with the profit margins of the sales at home and 1 refers to higher profit margins)	Dimensional/multisectorial	Greece
11	Salavou (2010)	Empirical/cluster analysis	By excluding pure and stuck-in-the-middle alternatives, the evidence shows that the hybrid form of competitive advantage is the prevailing and best-performing strategic choice	Subjective measure: overall firm performance on a three-year basis/overall firm performance on a three-year basis as compared with their main competitors	Dimensional/services sector	Greece

(continued)

Table V.

No.	Authors	Type/methodology	Main findings	Performance measures	Approach/sector	Country
12	Salavou (2013)	Empirical/cluster analysis	The hybrid compared with other forms of competitive advantage, namely, pure and stuck-in-the-middle, contributes to better business performance	Subjective measure: Overall firm performance on a three-year basis/overall firm performance on a three-year basis as compared with their main competitors	Dimensional/ food sector	Greece
13	Spanos <i>et al.</i> (2004)	Empirical/regression analysis	Hybrid strategies are clearly preferable compared to pure ones	Objective measure: Price-cost margin (PCM) as index of profitability	Dimensional/ multisectorial	Greece
14	Thornhill and White (2007)	Empirical/regression analysis	In all instances, pure strategies never did less well and often did better than hybrid strategies	Objective measure: Operating margin (gross revenues minus gross expenses, expressed as a percentage of revenues)	Dimensional/ multisectorial	Canada
15	Walsh <i>et al.</i> (2008)	Empirical	Choosing a strategy that incorporates low-costs service offering without differentiated service offering would expose a firm (energy supplier) to a disadvantage relative to a competitor who employs a hybrid strategy	–	Dimensional/ sectorial	Canada

on hybridization to advance research on competitive strategies. As it appears after 2000, no matter what the structure of hybrid strategies might be or how many types of hybrid strategies exist, the hybrid form of competitive advantage is dominant and allows higher performance levels. This holds true especially for European countries, as almost half of the studies have been conducted within Europe.

Discussion

This article focuses on conceptual issues of hybrid strategies stemming from Porter's (1980) model within the competitive strategy literature. To do so, it explains the shift in emphasis from the original idea of strategic purity to the revised idea of hybridization. The accumulated evidence of the empirical record until 2000 suggests that, in practice, firms adopt a greater variety of competitive strategies that go far beyond the three single-emphasis strategies created by theory. To fill the gap of time until today, this paper conducts a thorough overview and confirms that hybrid strategies, especially in Europe, suggest prevailing and high-performing strategic choices in the ever-increasing body of empirical evidence. Nevertheless, some researchers (Thornhill and White, 2007) believe that empirical research has failed to resolve the basic strategy question of "Does strategic purity pay?" This claim is somewhat misleading, as the basic strategy question related to the original idea of competitive strategies was completely different to the one related to the revised idea. In particular, the question in 1980 was to identify the most effective pure strategy, whereas the revised question, some years after the distinction between stuck-in-the-middle and hybrid strategies, is whether pure strategies outperform hybrid strategies or vice versa.

This is most likely why Thornhill and White (2007) claim that the ambiguous empirical results are not caused by conceptual confusion. The truth is that some countries lag behind others in exploring the dominant paradigm of competitive strategy. In the USA, where the model was created, the empirical evidence is ample. Recently, the US studies have included multiyear designs and different industry environments, allowing researchers to examine multiple dimensions within the conceptual framing of the broad strategy spectrum. As such, research studies emphasize the importance of understanding trade-offs in strategic positioning (Thornhill and White, 2007). In other countries, mainly within the European Union, Porter's (1980) model took longer to become a subject of investigation. Despite reservations that competitive strategies might be in transition from a single emphasis on one competitive advantage towards more elaborate strategic repertoires (Spanos *et al.*, 2004), hybrid strategies receive wide acceptance in the European studies (Table V), as they suggest high-performing strategic choices. Given the above considerations, there is no question that hybridization needs theoretical foundation. The mixed-emphasis competitive strategies that firms adopt nowadays cannot fit into Porter's (1980) paradigm of competitive strategy. Further work within the competitive strategy literature would benefit from the following theoretical agenda.

First, it is clear that there is still much to investigate concerning the conceptualization of hybrid strategies, as they appear to be complex and of multidimensional nature. In the preceding section, we portrayed hybrid strategies developed either from Porter's (1980) generic dimensions (see 16 types in Table IV) or from dimensions of revised models (Table II). The absence of a conceptual descriptive scheme for hybrid strategies and

their structures does not help the competitive strategy literature to evolve and better capture reality.

Second, scholars should establish a theoretical spectrum to embrace the full variety of competitive strategies and conceptualize them in a way to reflect reality. Instead of contrasting types of competitive strategies, future work should place any competitive strategy, namely, single-emphasis, mixed-emphasis, no-distinctive-emphasis and stuck-in-the-middle, within a specified theoretical context. Especially for hybrid strategies, which are complex, not doing so can cause confusion or loss of direction ((March, 1991; Treacy and Wiersema, 1997).

Third, future work could benefit from a theoretical typology of all types of competitive strategies, which in turn facilitates a more complete specification of the link between competitive strategy and firm performance (Campbell-Hunt, 2000). More specifically, scholars need to elaborate recent developments in the literature suggesting that the effect of competitive strategies on firm performance also depends on the alignment of strategy with contextual factors (Li and Li, 2008). Future studies are expected to consider analyzing joint effects (i.e. moderating and/or mediating) of firms' capabilities and different types of competitive strategies on performance (Ortega, 2010; Spanos *et al.*, 2004).

Closing remarks

The business level, as introduced and established by Porter's (1980) model of competitive strategies, is indeed a profound concept in strategic management. The competitive strategy, acting independently or in combination, provides the conditions for the sustainability of competitive advantage (Ortega, 2010). No matter how many years pass, research on competitive strategy will continue, as it considers businesses of any age, size, sector or country. The global challenge of today is how scholars will revise theory to better capture reality. It is time to fit all the types of competitive strategies within a theoretical framework, as they cannot be hosted in the original model, defined in 1980 with three single-emphasis strategic choices. The era in which combining competitive strategies was synonymous with stuck-in-the-middle alternatives has been left behind, and the era in which hybrid strategies suggest the most attractive choices, at least in some circumstances, has already begun.

Consequently, the adjustments on the initial theory of competitive strategies are lacking, although the empirical literature in favour of hybrid strategies is growing at a rapid pace. We would like to know more about hybridization on theoretical grounds. This article described the valuable work conducted most recently to elaborate on suggestions for theorizing the hybrid form of competitive advantage. We hope it will serve to stimulate the interest of scholars.

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