

# **The Nexus Between Blue Ocean Strategy and Organizational Performance of SMEs in the Fourth Industrial Revolution Era**

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## **Abstract**

It is well known that the traditional way of strategic thinking, which is known as the red ocean perspective of strategy, is rooted in the military-based model of beating competitors. Nevertheless, the current corporate environment, dominated by a plethora of economic crises and massive changes in technologies, is now demanding corporate strategists who can make competition irrelevant by creating blue oceans. Ominously, limited research work has focused on the blue ocean strategy. As such, this study examines the nexus between blue ocean strategy and organizational performance. The explanatory research design informed this study whereby the data collected from 100 SME owners employing structured questionnaires were analyzed using Pearson correlation and regression analysis. The results revealed that new uncontested markets, making the competition irrelevant, product differentiation, and creating new demand have a positive and statistical nexus with a competitive advantage. Therefore, it concluded that the blue ocean strategy positively influences organizational performance. The study recommends the adoption of the blue ocean strategy by redefining the value proposition considering the changes brought by the Fourth Industrial Revolution.

**Keywords:** Blue ocean strategy, Fourth Industrial Revolution, SMEs, Organizational performance, Value proposition, Red ocean strategy, Uncontested market, Strategy canvas