

Abstract

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Resource-based Competition

An Analysis of Competitive Advantage in Electricity Retail Companies

The de-regulation of the Swedish electricity market in 1996 drastically changed the business environment for electricity retailing. One of the most visible effects of the reform is the decreasing numbers of electricity retail companies. The logic behind this development is based on the assumption that economies of size only make large companies competitive.

This thesis investigates the importance of size for being competitive in the electricity retail business. Competitive power is studied through the two generic problems of competition: *the general and the specific problem of competition*. The general problem identifies the challenges that face all companies in the business. In this study they are defined in terms of key forces that drive changes in value creation. With an activity-based view of strategy, key cost and revenue drivers are identified. The firm-specific problem identifies how a particular company master these general forces in a unique way. Based on the resource-based view of strategy, uniqueness is studied by the disposition of unique resources. Four generic types of rents: Ricardian, monopoly, Schumpeterian and organizational rents, are used as a base in a framework for identifying strategic resources that can create competitive advantage.

By integrating a resource-based and activity-based view of strategy a concept of fit is acquired. In this study it is assumed that only when there is a fit between the company's resources and key value drivers in the business, can a company be said to be competitive enough to establish a foundation for sustainable survival. Such a fit defines resource-based competition.

Key words: resource-based view, competitive advantage, electricity market, rents, strategic group, business strategy, competition, activity-based view, economies of size.

Nyckelord: resursbaserat synsätt, konkurrensfördel, elleverantörer, elmarknad, jordrättor, strategisk grupp, strategi, konkurrenskraft, aktivitetsbaserat synsätt, stordriftsfördel.