

Value Chain Analysis: Differentiation Advantage for ParadigmStar

My hypothetical company will prove something unique that is valuable to the buyer beyond simply offering a low price product. We will utilize the differentiation advantage in creating value for the customer.

Differentiation Advantage

VCA is done differently when a firm competes on differentiation rather than costs. This is because the source of differentiation advantage comes from creating superior products, adding more features and satisfying varying customer needs, which results in higher cost structure.

Step 1. Identify the customers' value-creating activities.

- Supplier of Raw Materials: Suppliers are powerful, quality of supply for main ingredient, location, etc.
- Processing/storage of raw materials: Processed material for main ingredient will need to be aged and stored properly for the best taste.
- Distilling: Energy, packaging, waste,
- Distribution: transportation
- Consumer: Sales, Marketing, Disposal, Recycling.

Step 1					
Step 2	very important	very important	important	not important	important
Step 3	The quality of the material will need to be top of the line in order to produce the premium	Aging of the main ingredient in order to provide best taste.	Scale of plants Capacity utilization Location of plants	Level of quality targets Frequency of defects	Size of advertising budget Strength of existing reputation

	quality liqueur	Conducting R&D in order to produce the desired taste.			Sales Volume
Step 4	<p>1. The condition of the raw material is fundamentally the most importance for the production of good quality spirits.</p> <p>2. It is also important that the chemical composition of the fruit or grain is of high quality which is decisive for both a qualitative and quantitative for satisfactory outcome including: high sugar content, strong developed, typical aroma (in fruits), clean, healthy, sound material (no mold or rot).</p> <p>3. The development of a sound R&D team is vital in coming up with the perfect formula in producing a quality product for the target consumer.</p>				