

What are Core Competencies?

Core competencies are skill sets (expertise, processes, and abilities) of an organization that allow them to add significant value to customers and to have a sustainable competitive advantage in the marketplace.

Core competencies would be typically listed as strengths in the SWOT analysis and should be used as the fundamental driver of the development of the marketing strategy. In this exercise, you are to review the following list of potential core competencies for a firm.

- Innovation expertise
- Speed and flexibility in the marketplace
- Superior product development skills
- Greater marketplace and customer understanding
- Strong analysis and database skills
- Industry/market knowledge and expertise
- Experts in marketing communications
- Fast or friendly customer service
- Streamlined and efficient processes
- Logistics expertise
- Strategic/entrepreneurial insight
- Skills in the early identification of trends/opportunities

Student Discussion Questions

1. How could these core competencies be used by firms to provide value to the end consumer in the marketplace?
2. To what extent of these core competencies capable of being duplicated by other firms – therefore, is the competitive advantage provided by them "sustainable"?
3. What examples of firms/brands can you think of that have some of these core competencies?
4. Having a rough guess, how many different core competencies do you think that most firms would have?
5. Discuss why it is important to base the firm's marketing strategy on one or more of the core competencies?