

Midocean University

Faculty of Management

Department/ Project Management



The Impact of Competitive Advantage on Project Success in the Fitness Industry in Riyadh, KSA

Samira Abdunebi

2021205038

Graduation Project – 1

Faculty of Management - Midocean University

Supervisor

Dr. Mona Moustafa Elashry

Faculty member- Faculty of management- Midocean University

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1. Chapter 1: Introduction

1.1.Research Background

Nowadays any project seeks success and excellence needs to consider the competitive advantage, there is a close link between competitive advantage and project success. “Several studies have been made in this field due to the importance of finding what success is and how it is measured” (PMI, 2013).

Initially, project success was referred to as reaching the objectives and the planned results in compliance with predetermined conditions of time, cost, and performance. As knowledge in the project management field developed, the “golden triangle” was considered not enough to define project success. Project success was recognized to be a complex, multi-dimensional concept encompassing many attributes (Mir, Pinnington, 2014).

Barney [2002: 9] says that “a firm experiences competitive advantages when its actions in an industry or market create economic value and when few competing firms are engaging in similar actions”. To compete in any industry, companies must perform a wide array of discrete activities such as processing orders, calling on customers, assembling products, and training employees. (Porter, 1985)

Many organizations don't have enough knowledge of the importance of applying competitive advantage strategies and how this effect negatively achieves project objectives successfully. In this research, we shed light on the competitive advantage strategy that enhances the project's success.

The previous studies and research highlight a lot of methodologies, factors, and criteria for competitive advantage, this literature review will enable us to research and guarantee that our study will add significant value to this topic.

In this research, we addressed some deficiencies in competitive advantage such as the lack of knowledge, the importance of innovation, and quality, and how these factors directly effect to the competitive advantage and project success.

All these topics will target a large segment of project stakeholders (internal & external) to obtain their satisfaction which cause project success.

Scholars and researchers will find this study useful if they wish to use the findings as a basis for current and further research on the subject. The study will assist other scholars who wish to pursue other researches in the same field. The study will assist them gain knowledge and get some literature which may be of a great to them in their researches. (Chege, 2017).

1.2. Research Problem

The role of knowledge as the key source for competitive advantage in enterprises has become a hotly debated topic. The idea that knowledge can be managed is fundamental to the related notions of the knowledge-based business, the learning enterprise and the management of intellectual capital. The recent interest in these overlapping concepts reflects important phenomena that enterprises have to deal with, such as perceptions of increased competition, rates of change and market turbulence. Enterprises are hence looking for new ways to remain in business or compete effectively. (Ndlela, 2001)

1.2.1. Theoretical Gaps

Lack of understanding of the importance of knowledge as a competitive resource.

The role of knowledge as the key source for competitive advantage in enterprises has become a hotly debated topic. The idea that knowledge can be managed is fundamental to the related notions of the knowledge-based business, the learning enterprise and the management of intellectual capital. The recent interest in these overlapping concepts reflects important phenomena that enterprises have to deal with, such as perceptions of increased competition, rates of change and market turbulence. Enterprises are hence looking for new ways to remain in business or compete effectively. (Ndlela, 2001).

1.2.2. Practical Gaps

Applications of Innovation Methodology in Competitive Advantage Study

The importance of applying Total Quality Management in competitive advantage strategy to drive project success. Total Quality Management does produce value, through a variety of benefits: improved understanding of customers' needs; improved customer satisfaction; improved internal communication; better problem-solving; greater employee commitment and motivation; stronger relationships with suppliers; fewer errors; and reduced waste (Juran, 1988; Schmidt and Finnigan, 1992; Spechler, 1991).

This study addresses the following main research question is

“What is the impact of the competitive advantage on achieving project success?”

1.3. Research Significance

The ability to stay ahead of present or potential competition, thus superior performance reached through competitive advantage will ensure market leadership. Also it provides the understanding that resources held by a firm and the business strategy will have a profound impact on generating competitive advantage. Differentiation strategy is usually developed around many characteristics such as product quality, technology and innovativeness, reliability, brand image, firm reputation, durability, and customer service, which must be difficult for rivals to imitate (Mose, 2010).

1.3.1. At the theoretical level

Competitiveness is a key factor of success on national and international market and can be observed at the level of economy, sector (industry), company or individual products or groups of products. The measurement of competitiveness and comparative advantages based on different theories (Rikardo, Hecksher-Ohlin) create a number of difficulties that are primarily related to the coverage of a large number of factors of comparative advantage as well as the difficulty of measuring and comparing these factors across countries and 15 sectors (Utkulu, Seymen, 2004).

1.3.2. At the practical level

Demir (2017) accentuated the importance of a holistic approach for the identification of risks and strategic management of competitive advantage in industrial zone company managers and owners ..etc.

According to Kotler (2012), in the competition it is important to develop competitive strategies that would stand out from its competitors, but firstly it is essential to know its market position, goals, capacities and resources.

Hanningtone, Struwig, Smith (2013) stated that Competitive advantage is sustainable when rival firms give up plans to imitate the resources of the competitors or when barriers to imitation are high. When the imitative actions have come to an end without

disrupting the firm's competitive advantage or when it is not easy or cheap to imitate, the firm's competitive strategy can be called "sustainable".

1.4. Research Questions

Sub Question 1: What is the impact of the value creation on project success?

Sub Question 2: How do stakeholders' satisfaction and project success?

Sub Question 3: What are competitive advantage factors that lead to project success?

Sub Question 4: What strategy can enhance the competitive advantage on project success?

1.5. Research Objectives

General Objective: Explore the relationship between the competitive advantage and Project Success.

Identify the impact of the value creation on project success

Examine the role of stakeholders' engagement on project success

Evaluate the factors of competitive advantage that lead to project success

Explore the strategy of application competitive advantage to achieve project success

1.6. Research Hypotheses

There is a statical significant relationship between value creation on project success

There is a significant positive relationship between stakeholders' engagement with project success

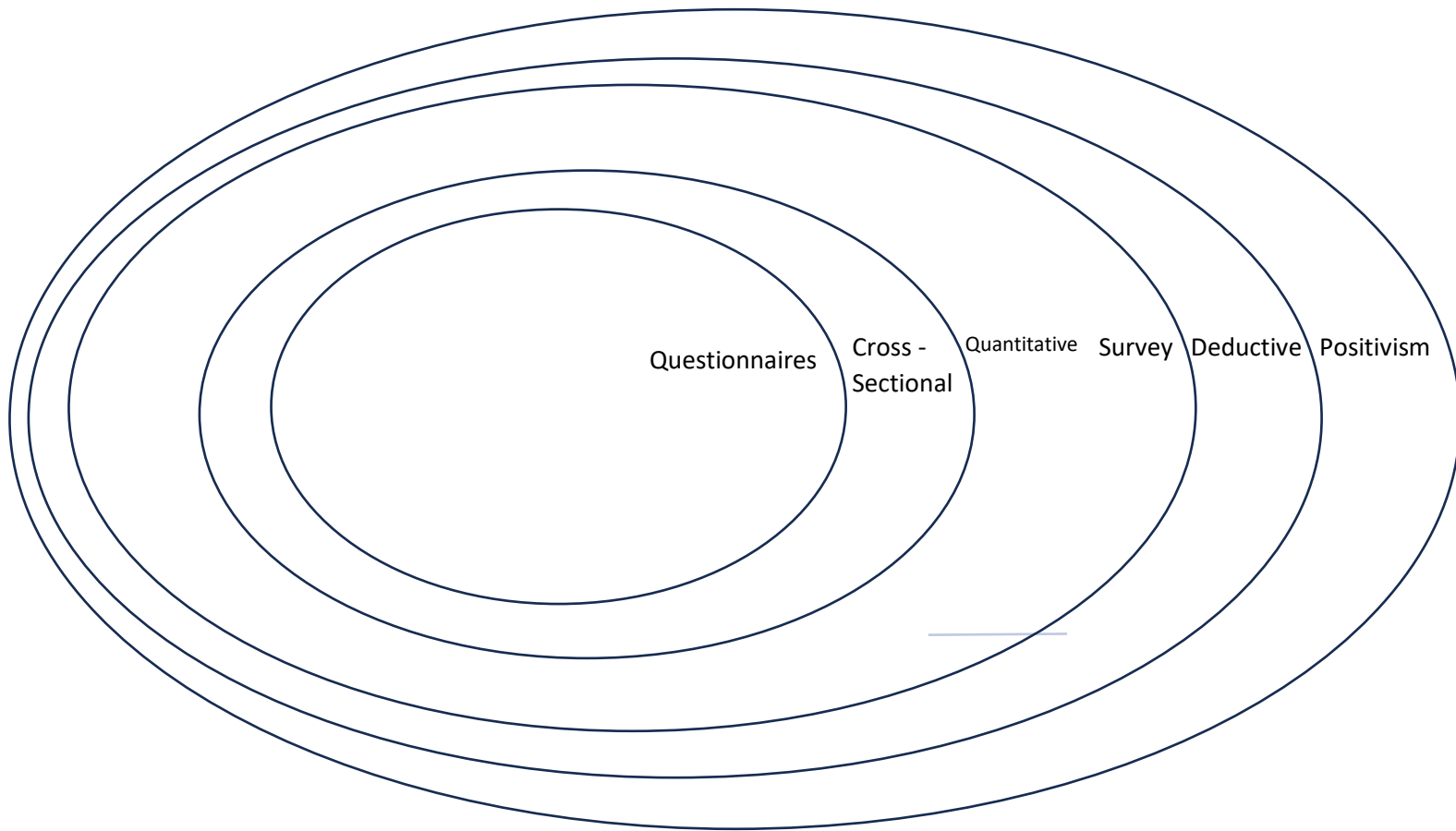
There is a significant positive relationship between competitive advantage and project success

1.7. Research Model



“Figer 1

1.8. Research Methodology



Figur 2

Research philosophy: Positivism

Research Approach: Deductive

Research Strategy: Survey

Research Choice: Quantitative

Time horizon: Cross-sectional

1.9.Scope of The Study

A privately owned Saudi hospitality brand with an International reach, operating and investing in a complete range of high-quality lifestyle products & services. This research will help the organization improve its competitive advantage and profit.

1.10. The Suggested Project Structure

- Chapter 1: Introduction
- Chapter 2: Literature Review
- Chapter 3: Research Methodology
- Chapter 4: Statistical Analysis
- Chapter 5: Findings` Discussion and Conclusion

2.Chapter 2: Literature Review

2.1.Introduction

This literature review seeks to reconceptualize the relationship between competitive advantage and project success. Many scholars have pointed out that there are critical success factors for project success and competitive advantage implementation on business performance. However, empirical studies on the correlation between the critical success factors for competitive advantage, level of implementing project success activities have been few.

2.2 The independent variable

Many organizations have gained competitive advantages in today's business landscape despite facing unattractive, high-threat, low-opportunity environments. Even after carefully analyzing their competitive environments, the success of these firms cannot be fully explained without considering their internal attributes - their strengths and weaknesses - as sources of competitive advantage. In the following discussion, internal attributes will be referred to as resources and capabilities, following more recent practice. C. K. Prahalad and Gary Hamel (1990).

The competitiveness of an enterprise is reflected in its adaptability, which indicates the adequacy of its responses to environmental impact and its ability to comply with changes in the environment. Competitive advantages are key to shaping and developing an enterprise's competitiveness. The modern concept of competitive advantages has emerged due to scientific and technical progress, globalization,

and the internationalization of competitive relations. Competitiveness is demonstrated through competitive advantages, and it is believed that competitiveness is reflected in the manifestation of competitive advantages. competitiveness exists as a result of having competitive advantages, without which achieving competitiveness is impossible. In order to understand the mechanism for shaping competitiveness and its internal connections, it is necessary to explore the essence of competitive advantages. Various definitions of competitive advantage have been provided in the scientific literature. Azoev (2000). For example, competitive advantage refers to the characteristics of a company and its product that provide value to consumers. This evaluation serves as the basis for developing marketing strategies, as noted by Yaneva. Markova (2005).

Likewise, considers competitive advantage as a specific characteristic of a product that adds value to consumers and is more useful than competitors' products. Competitive advantages are the time-consuming features or external environmental factors that give an enterprise superiority over competitors in a specific market. Kyurova (2018) According to Kotler (1996) , a competitive advantage is earned by offering greater value or lower prices, or through more benefits justifying higher prices. In summary, a competitive advantage is a specific positive quality that makes an entity stand out and differ positively from its competitors.

Over recent years, competitive advantage is one of the most important concepts addressed in strategic management and the marketing literature. Incidentally, there exist several perspectives regarding constructive and impressive factors, where the industrial organization researchers study the environmental factors as the determinants of competitive advantage. The first researcher who stated his point of view in 1968 was Bain; however, the eminent character of this field is Michael Porter. In the model presented by Porter, the analysis level is the industry in which the profitability of the enterprises depends on the industry's potential and their relative situation in the industry. Based on this model, the

core competencies would pave the path for excellence and result in a competitive advantage for the organization if the organization adopts a different strategy than those of competitors. Schoemaker and Amit (1993) developed another theory according to which the profitability of the enterprise depended on the degree of consistency between strategic assets and strategic factors of the industry; therefore, the base of competitive advantage is founded on the industrial organization and competency approach interaction. The most significant empirical contributions measuring the competitive advantages are gained through the firms placed in industrial districts via the district effect. Claver-Cortés E, Marco-Lajara B, Seva-Larrosa P, Ruiz-Fernández L. (2019), some scholars focus on the more critical role of internal factors of the organization (resource-based and dynamic-capability perspectives). In the resource-based approach, organizations Competitiveness in the New Era 8 are considered as groups of resources and it is believed that the competitive advantage of an organization stems from its resources, if they are advocated by scarcity, being valuable, scarce substitution, and unimitability or difficulty in modeling. Otherwise, the resources of the organization are the sources of competitive advantage and it will be sustainable if the resources meet these four conditions. Barney J. (1991). In the dynamic-capability perspective, the source of competitive advantage is considered as unique processes. Accordingly, the term ‘dynamic’ implies the potential of the firm in rebuilding the competencies consistent with the changing business environment. The term ‘capabilities’ refers to the critical role of strategic management in coordinating, integrating, and reconfiguring the organization’s competencies, assets, and strategies to cope with the requirements of the changing environment. Also, as to this approach, achieving the dynamic capabilities of the market is not possible simply since it requires inter-organizational dynamic management processes. Resources and dynamic capabilities include 89.3% of the variation of competitive advantage in which 82% belonged to the resources, indicating the significance of resources in attaining competitive advantage. In sum, the analysis level in environmental

approaches is the industry; however, the analysis level in resource-based, dynamic capabilities approaches and core competency approach is the enterprise. Sachitra V, Chong S. (2018) Resources, The current chapter is going to develop the mentioned approaches and provide an inclusive model through the combination of these perspectives to establish a national, industrial, and organizational model.

2.3 The dependent variable

The traditional method of evaluating project success involves looking at the "iron triangle" of scope, cost, time, and quality. However, project success may not be solely determined by these factors. Projects differ across industries, and each project has its own unique characteristics. Therefore, the definition of project success can differ depending on various circumstances. Müller and Turner (2007), for example, it is important to note that project success criteria vary depending on the type of project.

In the case of complex projects or projects on a fixed contract, customer satisfaction is a primary determinant of project success. However, for high-performing projects or those involving multiple stakeholders, the needs of a broader group of stakeholders must be considered in establishing the project success criteria.

The success of a project can be based on various aspects of the project organization, including the performance of the contractor, project management, and the functional performance of the organizations involved. Some studies analyze the net value of the product operation and the net cost of project execution as measures of project success. Yu et al. (2005).

Some studies suggest that the critical factors influencing project success are the typical measures of cost, time, and quality, and, more importantly, the relationships among key project stakeholders. Wang, X and J Huang (2006).

According to PMI (2013), the overall project success criteria should include the elements of the iron triangle (scope, cost, time, quality), as well as the satisfaction of all the key stakeholders involved in the project.

Project efficiency, which refers to meeting the project's cost, time, and scope, is considered a key measure of project success. It is suggested that project efficiency is strongly correlated with other aspects of project success, such as stakeholder requirements and customer acceptance. Serrador and Turner (2015).

About ten years ago, Ika (2009) proposed two alternatives for project success measurement: (1) a contingent approach where project success is a context-specific tool for achieving goals and objectives, and (2) a subjectivist approach where project success is grounded in empirical narratives of success and failure. Because of the challenges posed by variations in project industry, sector, nature and stakeholders, context-specific tools for measuring project success need to be continuously developed and updated. This makes project success evaluating an arduous process. Moreover, no specific patterns for the selection of project success criteria exist in previous literature across various context-specific fields of application (Albert et al., 2017).

2.4 The relationship between the independent and the dependent variables

In order to gain a competitive advantage over their project success, organizations must understand and analyze how their strengths compare to their rivals' weaknesses. By incorporating sustainability principles into their business strategies, organizations can differentiate themselves from rivals in the same industry. Additionally, by openly sharing their sustainability strategies, they can enhance their reputation in the market. These organizations will be able to meet the sustainability expectations of their stakeholders and minimize information asymmetry by disclosing reports that can provide them with a competitive advantage (Zhao et al., 2019).

Therefore, we have discovered a strong correlation between competitive advantage and project success in any organization.

2.5 Conclusion

To evaluate the success of a project, it's crucial to take into account different aspects and timeframes, including short-term and long-term goals. Each project has its own unique characteristics, and the importance of these characteristics may vary. Further research is needed to validate the multi-dimensional concept and to investigate other related questions. For example, the definition of project success may vary depending on the specific context.

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