

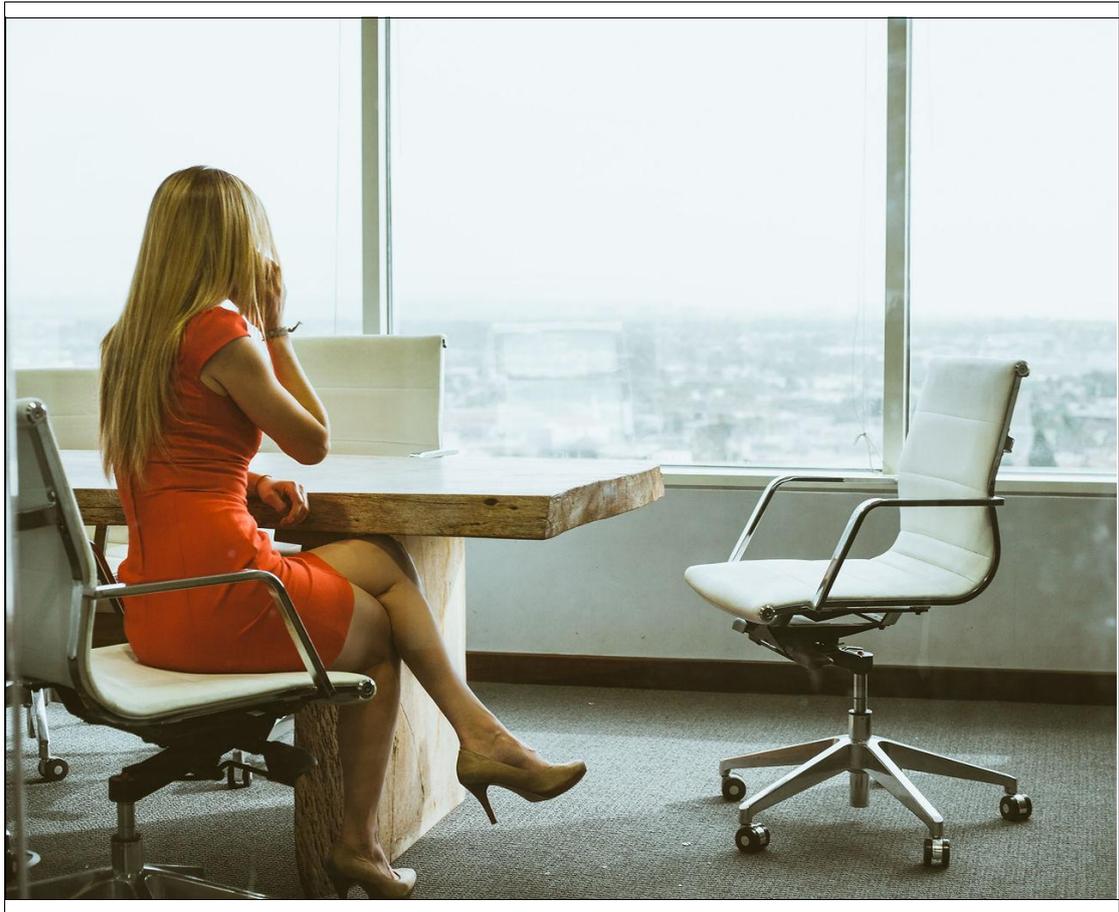
# Understanding Strategic Market Fit Between The Competitive Strategies and Supply Chain Strategies

DOI: <https://doi.org/10.5281/zenodo.18365574>

ORCID:  <https://orcid.org/0009-0006-6170-5532>

**Citation:** Virgen, M. (2025). Understanding Strategic Market Fit Between The Competitive Strategies and Supply Chain Strategies. Doctors In Business Journal. <https://doi.org/10.5281/zenodo.18365574>

Businesses usually fail because of a lack of strategic fit between the competitive and supply chain strategies. This makes it important that the supply chain design, resources and processes provide the required capabilities to support the competitive strategy (Eicker, T. et al., 2017). Although Blockbuster was a large company and perhaps they did not see the vision or threat that Netflix and Redbox imposed in the very early stages, we can see that beyond a company have large resources, it is also imperative that company work quickly on implementing their strategies and to continue learning from their customers as customer needs can change and it is their duty for the livelihood of the company to continue researching strategic market fit structures in their industry. The notion of strategic fit is theoretically based on Strategy Structure Process Performance (SSPP) framework. The SSPP framework proposes that companies fit their strategy with structure and process to yield superior business performance. Strategic fit does play a significant part in organizational performance. It is defined as an appropriate alignment of resources for competitive advantage (Anup Kumar. Et al., 2023).



**In what ways did Blockbuster achieve better strategic fit than local stores?**

Blockbuster was able to do a better job at market fit when compared to its local stores at the time since it was able to effectively implement a model that was used to align its business capabilities with the needs of customers that small local stores were not able to meet. Before Blockbuster competed against Netflix, it was known and recognized as a large successful business that held a large inventory, had multiple store locations for convenience, which gave it a better strategic fit versus smaller local stores. To enhance fulfillment speed and maintain competitiveness, company's also need offline channels such as instant retail, in which this was an area where Blockbuster was able to excel in. This model allowed for effective in-store fulfillment by leveraging the logistics capabilities of brick-and-mortar stores (Tan, M. et al., 2025). Blockbuster effectively used being a large store to its advantage and was able to meet customer requirements for a multiple of movie preferences, convenience, and consistent customer experience, in which smaller local store were not able to do.

**How much implied uncertainty do Netflix and Redbox face? What levers do they use to deal with this uncertainty?**

Netflix and Redbox can face uncertainty in licensing costs and changing consumer demand preferences. Both company's need to compete to grab the attention away from social media platforms. Since these are entertainment company's, their main objective

for revenue would be to take the attention away from their competitors, and with social media now offering short films on social media shorts the future for consumer preference for the next several generations can be uncertain. Consumers, in making their consumption choices, do not only consider their tastes, because they may also be influenced by a reference level of consumption, such as colleagues, members of the family, friends, and so on that can be considered as a reference for the consumer who does not want to behave too differently from them (Bischi, G. I. et al., 2024). Both Netflix and Redbox face uncertainty as to how unpredictable human behavior can be sometimes and how the future of entertainment consumption may change from one hour long movies to short 30 minute films on users cellphones. Additionally, Netflix has uncertainty on how some studios can control new releases in terms of licensing, and the costs for streaming. In regards to Redbox, their implied uncertainty lies in changes in consumer demand, kiosk risks in machine downtime due to system errors, and location placement costs.

In regards to the levers Netflix uses, it can be seen that they use a subscription based pricing model which allows them to have predictable revenue. They also use data and automation to understand each consumers profile to be able to recommend other movie or show titles they might also find interesting. As for the levers that Redbox uses, they focus more on location partnerships in order to gain foot traffic and share placement risks. They also use their kiosks tight inventory control in order to reduce stocking uncertainty and make their supply chain in stocking their kiosks simple.

### **How did Netflix and Redbox achieve better strategic fit than Blockbuster?**

Netflix and Redbox were able to achieve better strategic fit than Blockbuster by implementing a business model that meet the changing customer needs, technology, and purchase behavior in ways that Blockbuster's model failed to do understand and implement fast enough. Both Netflix and Redbox were able to identify an opportunity in the emerging technology and the new generations shopping preferences through market research. For example, Generation Z is now one of the major online shoppers where they prefer to purchase products online and be able to purchase or rent movies from the comfort of their homes. Soon, this generation will populate higher secondary schools, colleges, universities and workplaces and, most importantly, become a significant force in the consumer market (Aksar IA. Et al., 2025).

Netflix's entered the industry offering a variety of topics and convenience without the famous and hefty late fees that Blockbuster had. Netflix also invested in streaming new releases and also providing original older movies, which matched the emerging customer preference for instant, at-home access.

As for Redbox, they used kiosks in high traffic retail locations that offered low-cost, on demand rentals, and they were able to capitalize on price sensitive and impulsive movie renters. Redbox also implemented a really low operating cost structure that allows the company to have a fast payback and low cost per-rental. Both Netflix and Redbox implemented a lower-cost, and more customer focused business

model and used logistics & data for to help them achieve a better strategic fit than Blockbuster.

#### References:

Eicker, T., & Cilliers, J. O. (2017). Equipping small business retailers to manage logistical supply chain drivers: A theoretical guideline. *Journal of Transport and Supply Chain Management*, 11. <http://dx.doi.org/10.4102/jtscm.v11i0.332>

Anup Kumar, Santosh Kumar Shrivastav, Subhajit Bhattacharyya. Nov, 2023. Measuring strategic fit using big data analytics in the automotive supply chain: a data source triangulation-based research. *International Journal of Productivity and Performance Management*; 72 (10): 2977–2999. <https://doi.org/10.1108/IJPPM-11-2021-0672>

Tan M, Li H, Wang H, Yin P (2025); "Research on e-commerce platform's instant retail strategy considering delivery timeliness under consumer channel preferences". *Asia Pacific Journal of Marketing and Logistics*, Vol. ahead-of-print No. ahead-of-print. <https://doi.org/10.1108/APJML-12-2024-1866>

Bischi, G. I., & Tramontana, F. (2024). An evolutive model of a boundedly rational consumer with changing preferences and reference group consumption. *Annals of Operations Research*, 337(3), 891. <http://dx.doi.org/10.1007/s10479-024-05885-x>

Aksar IA, Fernandez PR, Yunus NB, Yinn NS (2025), "Gen-Alpha and buying behaviours: discerning, smart and mindful buyers". *Young Consumers: Insight and Ideas for Responsible Marketers*, Vol. 26 No. 4 pp. 568–584, doi: <https://doi.org/10.1108/YC-11-2024-2331>

#### Publisher Note

Miguel Virgen, PhD Student. I have no known conflict of interest to disclose. Correspondence concerning this article should be addressed to Miguel Virgen, Email: [support@doctorsinbusinessjournal.com](mailto:support@doctorsinbusinessjournal.com)