

# **BLUE OCEAN STRATEGY: THE SEARCH FOR NICHE MARKETS IN HIGHER EDUCATION: A PROGRAM IN PHILANTHROPY**

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## **Summary**

Most colleges and universities attempt to find and develop niche markets in which they can focus efforts and claim some unique status. At the university level, the focus may be a particular college or an attempt to connect with its constituency through an athletic program, usually football or basketball. At the college level the focus may be pedagogical as in an analytical or case approach. For other colleges the focus may be programmatic as in finance or industry specific such as a hotel management program. Kim and Mauborgne in their recent “international bestseller” (as claimed by Harvard University Press), Blue Ocean Strategy, describe a process on how to create uncontested market space to make competition irrelevant. The cornerstone of Blue Ocean Strategies (BOS) is the concept the authors call, value innovation. This concept and the process of BOS are explored in the context of finding a niche market for a program in philanthropy and non-profit management. The full paper incorporates examples from a college of business as it explores a blue ocean strategy. Our use of BOS in a college and university setting implies a certain creative license as the authors of BOS focus on markets while universities might be at best categorized generally as nonprofit organizations operating in quasi-markets. Five aspects of applying a BOS are presented in the following sections: new market space; value innovation; focus, divergence a compelling tag-line; customer choice conflict; tipping point.

New Market Space The first question to ask and answer is: does the new program create “new market space?” Most organizations attempting to focus don’t need another incremental addition (Red Ocean) to its portfolio of majors.

Value Innovation The second question addresses a prerequisite to “value innovation,” the utility associated with “buyer value.”

Focus, Divergence, and a Compelling Tag-line The three characteristics of a successful BOS are focus, divergence, and a compelling tag-line.

Customer Choice Conflict Blue oceans are often found in the space between alternative choices customers are forced to make.

Tipping Point Tipping point leadership refers to the mobilization of institutional resources and overcoming organizational barriers to implement a BOS.