

The degree of implementation of the blue ocean strategy and its relation to financial performance

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Abstract

The study aimed to identify the degree of implementation of the Blue Ocean strategy and its relation to the financial performance of the food industry companies in the West Bank. The study used the descriptive approach, and a questionnaire consisting of (32) paragraphs was distributed to Four dimensions :(Elimination, Reduction, Raise, and Creation), as well as the overall axis of the financial performance. The study population (156 companies) was composed of all the food industry companies in each of the capital of Jerusalem, Ramallah-Al-bireh, and Hebron Governorate; in which a sample of 90 companies were chosen intentionally according to some considerations ending with a final sample of 75 that was considered a representative sample.

The study results showed a high overall degree for the implementation of the blue ocean strategy in the industrial food companies in the West Bank, with a total arithmetic mean of (4.30), while the arithmetic mean of the total degree of the financial performance dimensions of the food industry companies was (4.08). In addition, a positive correlation found between the degree of application of the Blue Ocean strategy dimensions and the financial performance of the food industry companies. Moreover, there were no significant differences at the level of statistical significance ($\alpha 0.05$) in respondents' responses to the degree of implementation of the blue ocean strategy and the financial performance of the food industrial companies attributable to the variables (age of the company, number of employees, governorate), except the annual sales volume variable. As the differences between the companies which has a sales volume of (10 million to less than 20 million), and the companies which has sales volume over the 20 million, for the benefit of companies whose annual sales volume (10 to less than 20 million), with a higher arithmetic mean of (4.37).

The study recommended the necessity of strengthening the practices of applying strategic management in the food industry companies in the West Bank, supporting the food industry companies towards implementing the blue ocean strategy in the Palestinian local market. Moreover, enhancing the practices of the industrial companies in their financial performance, within the international standards.