

SIXTEENTH
EDITION

STRATEGIC MANAGEMENT

Concepts and Cases

A COMPETITIVE ADVANTAGE APPROACH

Fred R. David

Francis Marion University
Florence, South Carolina

Forest R. David

Strategic Planning Consultant

PEARSON

Boston Columbus Indianapolis New York San Francisco Amsterdam
Cape Town Dubai London Madrid Milan Munich Paris Montréal Toronto Delhi
Mexico City São Paulo Sydney Hong Kong Seoul Singapore Taipei Tokyo

Vice President, Business Publishing: Donna Battista
Editor-in-Chief: Stephanie Wall
Acquisitions Editor: Daniel Tylman
Editorial Assistant: Linda Albelli
Vice President, Product Marketing: Maggie Moylan
Director of Marketing, Digital Services and Products: Jeanette Koskinas
Field Marketing Manager: Lenny Ann Raper
Product Marketing Assistant: Jessica Quazza
Team Lead, Program Management: Ashley Santora
Program Manager: Claudia Fernandes
Team Lead, Project Management: Jeff Holcomb
Project Manager: Ann Pulido
Operations Specialist: Carol Melville
Creative Director: Blair Brown
Art Director: Janet Slowik
Vice President, Director of Digital Strategy & Assessment: Paul Gentile
Manager of Learning Applications: Paul Deluca
Digital Editor: Brian Surette
Director, Digital Studio: Sacha Laustsen
Digital Studio Manager: Diane Lombardo
Digital Studio Project Manager: Robin Lazrus
Digital Studio Project Manager: Alana Coles
Digital Studio Project Manager: Monique Lawrence
Full-Service Project Management and Composition: Integra
Interior Designer: Integra
Cover Designer: Integra
Cover Image: Francesco Pezzotta
Printer/Binder: RR Donnelley/Kendallville
Cover Printer: Phoenix Color/Hagerstown

Copyright © 2017, 2015, 2013 by Pearson Education, Inc. or its affiliates. All Rights Reserved. Manufactured in the United States of America. This publication is protected by copyright, and permission should be obtained from the publisher prior to any prohibited reproduction, storage in a retrieval system, or transmission in any form or by any means, electronic, mechanical, photocopying, recording, or likewise. For information regarding permissions, request forms and the appropriate contacts within the Pearson Education Global Rights & Permissions department, please visit www.pearsoned.com/permissions/.

Acknowledgements of third party content appear on the appropriate page within the text, which constitutes an extension of this copyright page with the exception of the photo of the chocolate candies that appear throughout the text and is credited to Dan Kosmayer/Shutterstock.

PEARSON ALWAYS LEARNING and MYMANAGEMENTLAB® are exclusive trademarks owned by Pearson Education, Inc. or its affiliates in the U.S. and/or other countries.

Unless otherwise indicated herein, any third-party trademarks that may appear in this work are the property of their respective owners and any references to third-party trademarks, logos or other trade dress are for demonstrative or descriptive purposes only. Such references are not intended to imply any sponsorship, endorsement, authorization, or promotion of Pearson's products by the owners of such marks, or any relationship between the owner and Pearson Education, Inc. or its affiliates, authors, licensees or distributors.

Library of Congress Cataloging-in-Publication Data

David, Fred R.

Strategic management: concepts and cases—a competitive advantage approach / Fred R. David, Francis Marion University, Florence, South Carolina, Forest R. David, Strategic Planning Consultant.—Sixteenth Edition.

pages cm

ISBN 978-0-13-416784-8 (alk. paper) — ISBN 0-13-416784-8 (alk. paper)

1. Strategic planning. 2. Strategic planning—Case studies. I. David, Forest R. II. Title.

HD30.28.D3785 2015

658.4'012—dc23

2015021210

10 9 8 7 6 5 4 3 2 1

PEARSON

ISBN 10: 0-13-416784-8
ISBN 13: 978-0-13-416784-8

**Thank you to the following companies
that graciously provided the substance of the Cohesion Cases
over a 30-year span of 16 editions of this book.**

- 1st edition, 1987: Ponderosa
- 2nd edition, 1989: Ponderosa
- 3rd edition, 1991: Hershey Company
- 4th edition, 1993: Hershey Company
- 5th edition, 1995: Hershey Company
- 6th edition, 1997: Hershey Company
- 7th edition, 1999: Hershey Company
- 8th edition, 2001: America Online (AOL)
- 9th edition, 2003: American Airlines
- 10th edition, 2005: Krispy Kreme Doughnuts, Inc.
- 11th edition, 2007: Google Inc.
- 12th edition, 2009: The Walt Disney Company
- 13th edition, 2011: Apple, Inc.
- 14th edition, 2013: McDonald's Corporation
- 15th edition, 2015: PepsiCo, Inc.
- 16th edition, 2017: Hershey Company