

Case Study

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Blue Ocean Strategy: Case Study of Tuzak Escape Games

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Abstract

Keywords

Blue Ocean Strategy,
Escape Games,
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The Blue Ocean Strategy is a business approach introduced by W. Chan Kim and Renée Mauborgne in their ground-breaking book of the same name. It advocates for creating uncontested market spaces, termed "blue oceans," where businesses can innovate and thrive without intense competition. In contrast to the traditional "red ocean" of saturated markets filled with fierce competition, the strategy encourages companies to explore untapped market segments. Key principles of the Blue Ocean Strategy include value innovation, which emphasizes simultaneously reducing costs and increasing value to create a unique product or service. The strategy also encourages companies to focus on non-customers, understanding their needs and incorporating them into market offerings. Instead of competing within existing industry boundaries, organizations are prompted to redefine those boundaries and explore new market space.

By fostering innovation and differentiation, companies employing the Blue Ocean Strategy seek to create a leap in value for both customers and themselves. This strategic mindset has been embraced by numerous successful organizations globally, emphasizing the importance of creativity, strategic thinking, and customer-centricity in carving out new, uncontested market spaces.

Tuzak Escape Games, based in Istanbul, offers immersive and challenging escape room experiences. Founded with a passion for interactive entertainment, Tuzak Escape Games provides visitors with thrilling scenarios, intricate puzzles, and engaging storylines. With multiple themed rooms catering to diverse interests and skill levels, including historical mysteries and futuristic adventures, Tuzak Escape Games ensures a memorable and adrenaline-filled experience for participants. The business prides itself on creating an atmosphere of teamwork, problem-solving, and excitement, making it a popular destination for both locals and tourists seeking a unique and entertaining adventure in Istanbul. This case study has attempted to analyze the strategy adopted by Tuzak, a room escape game company. The actions by Tuzak can be analyzed from the perspective of the Blue Ocean Strategy and useful lessons have been drawn by the case. The company adopted a Blue Ocean approach when it established its business in 2014. However, the market attracted

multiple players into the same segment which increased the competition for Tuzak and the company implemented further steps to emerge out of the Red Ocean and created a new Blue Ocean for itself ([afak, 2018](#)).

Introduction

Room escape games, is generally based on escaping from one or sometimes two rooms as is self-explanatory from its name. Tuzak, headquartered in Istanbul, Turkey, has changed this view by establishing an offline place as a game area. This is how they created a blue ocean. The players in a 4-5 roomed game area tried to escape from one room, finding themselves in another one until finally they succeeded in completing all task to leave the game place. Promoting a new style of this game, which is a kind of innovation, Tuzak's ventured a blues ocean. Tuzak has been operating as a room escape game since 2014 in stanbul by three friends. Being lifelong players they are experienced about the ways to make a player feel like in a real atmosphere and this is their success hint could be their experience of knowing how a player can enjoy.

The biggest challenge which any company or organization faces is to stay competitive and be ahead of its rivals. Management thinkers have analyzed this aspect of staying ahead of the competition in various forms. One of the strategies propounded by W Chan Kim and Renee Mauborgne is referred to as the Blue Ocean Strategy. They have emphasized that the company needs to undertake strategic moves to explore the unexplored market areas or the Blue Ocean. This ability of the organization to create and capture Blue Oceans will unlock demand and make the competition irrelevant.

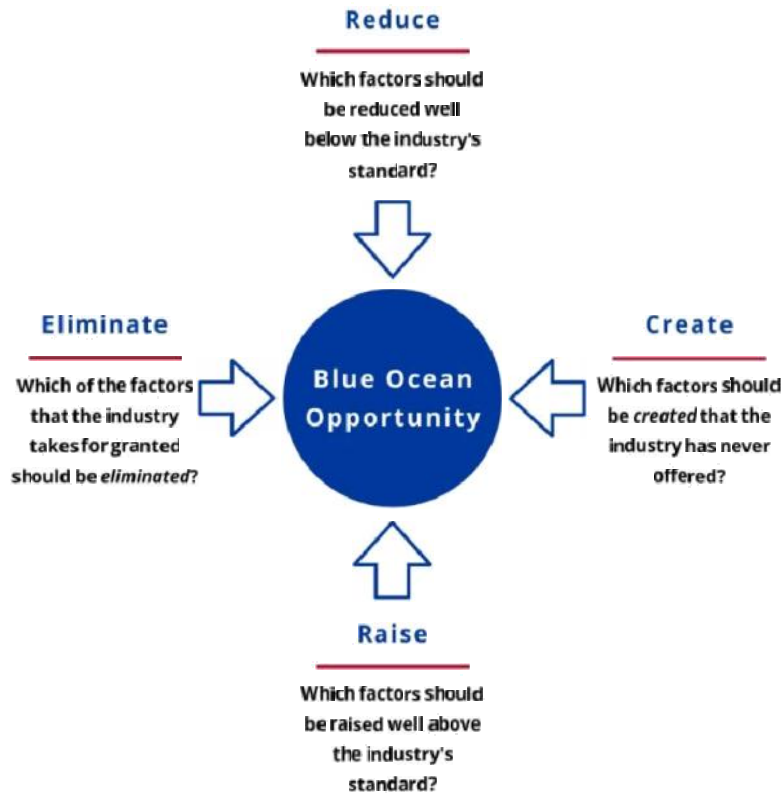
Blue Ocean Strategy:

Kim & Mauborgne in their book "Blue Ocean Strategy" have introduced the terms Blue Ocean and Red Ocean to refer to the market environment. In Red Oceans, the market is in existence and there is competition amongst the industry players to outperform each other to

increase their respective market share. Red Ocean or existing markets are already competitive and the efforts of companies to maximize their profits lead to stiff competition. In contrast to the Red Ocean, the Blue Oceans are the markets which are non-existent and offer an opportunity for growth to the companies which make an effort to venture into such unexplored markets ([Kim & Mauborgne](#)). Since there is no competition existing in such markets, the companies have huge potential and competition is irrelevant in these markets primarily and demand is to be created.

The essence of the Blue Ocean Strategy is to create an uncontested market rather than compete in the existing market itself. It is based on the premise that the boundaries of a market are not defined and new markets can be created which will in turn make the competition irrelevant. This strategy differs from earlier thoughts which were based on achieving either differentiation or low cost, whereas the Blue Ocean strategy is based on the simultaneous pursuit of differentiation and low cost. According to the Blue Ocean Strategy, the company should avoid saturated markets and adopt a route to create new value for the customers. When the company can deliver the desired value to the customers at the desired cost it will lead to the creation of a demand which will be beneficial for the company as it steers itself away from the existing competition. The balance between product differentiation and cost is a delicate one and can prove to be risky as well. Another important aspect is the emergence of imitators when an innovation is introduced. This has the potential of increasing the competition even in a Blue Ocean which can start turning Red very soon. To implement the Blue Ocean strategy, Kim & Mauborgne have recommended a "Four Actions Framework" to create value for customers. This is also referred to as the ERRC grid and it stands for Eliminate, Reduce, Raise and Create ([Kim & Mauborgne](#)).

The Four Actions Framework



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Details of Case

Room Escape Games were introduced in Japan in 2007. These games are derived from the “escape the room” type of video game (Edge, et al.). These games are designed for a group of players who are required to discover clues, solve puzzles or accomplish tasks inside the rooms they are confined to escape from the same. These games gained a lot of popularity in the 2010s and a large number of such facilities were established in various countries. Tuzak (meaning Trap) entered this business in 2014 and established a room escape game in Istanbul, Turkey. This company was formed by three friends who themselves are escape room games enthusiasts (afak, 2018). The popularity of Tuzak soared high and they are at first place amongst the rivals in Turkey. Their games are highly popular with players and the company has franchise branches as well.

Creating Blue Ocean by Tuzak

Tuzak’s is like a niche and its popularity is very high and they have maximum market share in room escape games. Traditional games are based in one or two rooms and have various kinds of puzzles, activities etc. for the players to perform. To differentiate from others, Tuzak established their games in a flat as a game area. The players in a 4 - 5 roomed flat were supposed to complete the tasks to move from one room to another and finally manage their escape from the flat. The players found this concept very engaging and the concept promoted a new kind of innovation among room escape games. This ability of Tuzak to create a new concept of games created a Blue Ocean for the company and could achieve huge popularity amongst players.

As highlighted earlier, the emergence of imitators is a serious threat to a newly founded Blue Ocean and the competition soon begins to develop. Similarly, almost 185 room escape games companies emerged by 2017. This made the competition very high among various them and the ocean now started turning red. At this juncture, it was essential for Tuzak to raise the level of its offering and create a new Blue Ocean for itself to move out of the Red Ocean. Tuzak designed portable room games which were even available in shopping malls ([afak, 2018](#)). This concept was very new to this industry and the

popularity of Tuzak soared again. They were able to move to a new Blue Ocean and created new value for their customers.

ERRC Grid for Tuzak

The ERRC Grid of Tuzak has been presented by the author to highlight the various actions undertaken by the company in consonance with the Blue Ocean Strategy. The ERRC grid lists out various actions/decisions taken by the company to achieve product differentiation as well as low cost.

<p>Eliminate: Terminating the contract with Grupanya, (a shopping site which offers daily deals on product) because Tuzak wanted to be only room escape game in Grupanya portfolio but Grupanya did not stick to this.</p>	<p>Raise: New games played concurrently Giving Franchisees</p>
<p>Reduce: No alliance, Not to lose corporate identity Highlighting Tuzak concept, avoiding “room escape” or “escape room” phrases to create brand awareness</p>	<p>Create: Utility model (portable room escape game) development and registration Customized games for occasion Portable escape games for shopping malls Performance talks after each game session for customer motivation</p>

ERRC Grid as per Blue Ocean Strategy

As evident from the ERRC Grid of Tuzak, they were able to create value by introducing Portable Room Games which was a new concept in the industry. In addition, they were able to customize their games as per the occasion and offered better value and experience to the players. They also emphasized customer satisfaction and offered Performance Talks for each game session.

escape room games they made the competition irrelevant. The emergence of imitators is the biggest threat to a Blue Ocean and Tuzak experienced the same in 2017 when a large number of similar escape room games emerged in Turkey and the competition gave rise to a Red Ocean.

Conclusion

The case study brings out the application of the Blue Ocean Strategy by Tuzak while it established its business in Istanbul in 2014. The company understood the requirements of the customer and was able to create greater value for them and by introducing a new concept in the

In the face of competition, Tuzak decided to move out of the Red Ocean and was successful in creating a new Blue Ocean with the introduction of the portable room games concept. This made sure that the existing competition was made irrelevant and Tuzak successfully created and captured new demand by implementing various steps like customization of games and Performance Talks. The case study has been able

to highlight the tenets of the Blue Ocean Strategy and established a relationship between the strategic approach taken by Tuzak. The author has been able to correlate the actions of the company with the principles of the Blue Ocean Strategy.

This helps in understanding the application of the strategy in a better manner and brings greater clarity to understanding the concepts of the Blue Ocean Strategy.

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