International Journal of Academic Management Science Research (IJAMSR)
ISSN: 2643-900X
Vol. 5 Issue 3, March - 2021, Pages: 99-102

Role Of Marketing Strategies In Increasing Company Competitiveness

Giyasova N. B.[1], Davlatov S. S.[2], Narzullayeva G. S.[3]

[1]Giyasova Nozima Bayazovna- Senior Lecturer of Department of Economy,

Bukhara State University, Bukhara, Uzbekistan

[2]Davlatov Sukhrob Saidovich - Senior Lecturer of Department of Economy,

Bukhara State University, Bukhara, Uzbekistan

[3]Narzullayeva Gulchehra Salimovna- Lecturer of Department of Economy,

Bukhara State University, Bukhara, Uzbekistan

***Abstract**: The article analyzes the main competitive strategies. Competitive strategy provides executives with the practical knowledge, new skills, and tools to turn strategic ideas into action. Competitive research is an area of strategic research that specializes in gathering information about competing firms. This is an important tactic for figuring out what competitors are doing and what threat they pose to your financial strength.*

Keywords - marketing, competition, competitive advantages, marketing strategies, cost leadership strategy, differentiation strategy, market niche strategy.

1. INTRODUCTION

Under the competitive marketing strategy (strategy of competition) it is customary to understand the strategy of the marketing activity of the company in the market conditions. As a rule, it is expressed in the desire of the company to take a competitive market position in an industry where competitors are fighting.

One way or another, a competitive marketing strategy is aimed at achieving a stable and profitable position that will enable the company to resist the onslaught of forces that determine the competitive struggle in the industry. Its development and selection is based on determining the competitive advantages of a business.

2. METHODOLOGY

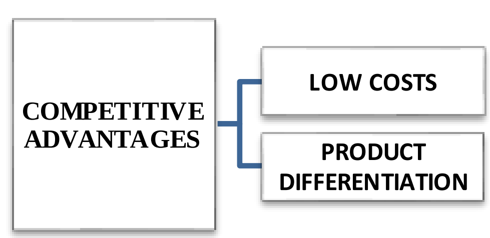
Competitive advantages are characteristics and properties of a product (service) that create a certain superiority for a company over competitors, and for consumers provide an optimal combination of consumer characteristics of a product.

Competitive advantages help a firm become recognizable in the marketplace and protect it from the effects of competitive forces. They may not always be obvious, but they must necessarily find a real embodiment in the company's products, price, quality of service, as well as other indicators of the company's activities, and also be perceived by the consumer. One way or another, they all fall into two groups:

- External competitive advantages;
- Internal competitive advantages.

The former boil down to higher "productivity", which provides the firm with higher profitability, resistance to lower selling prices and competition in general. The latter are achieved and implemented by personnel within the organization. Ultimately, they allow you to achieve a lower cost level than direct competitors. The very concept of competitive advantage implies that a company has the potential to be better than its competitors. However, despite the fact that each firm has a large number of strengths and weaknesses in comparison with competitors, they can all have, as a rule, only two types of competitive advantages (Figure 1).

Building on the competitive advantage of a business, a competitive marketing strategy aims to achieve a profitable and sustainable position that will enable an organization to withstand the onslaught of the competitive forces that drive industry competition.



According to the classical approach, it is generally accepted that the choice of a company's competitive marketing strategy is determined by two fundamental points:

the attractiveness of the industry and the factors that determine it, on the one hand, and the factors that determine the relative competitive position of the firm within the industry, on the other. Together with two basic types of competitive advantage, they form three main types of competitive marketing strategies (Figure 2).

The cost advantage strategy is related to the company's ability to achieve the lowest cost level in comparison with competitors. In other words, it involves the establishment of low selling prices for products and thereby attracting a large number of buyers. A focusing strategy involves focusing all of a firm's efforts on a geographic market segment, a specific consumer group, or type of product. In particular, we are talking about creating a product or price advantage in a narrow market segment. As a rule, its use allows a company to achieve better results in achieving a narrowly focused goal compared to its competitors. The differentiation strategy involves the creation of a product or service that is unique to the industry. The use of this strategy is associated with endowing the company's products with unique properties that are most important for the target audience. As the value of the product in the eyes of the consumer in this case increases, the company may charge a higher price for its product. Differences and uniqueness of properties provide protection of the product from pressure from substitute products and direct competitive rivalry on the one hand, and create loyalty of consumers to the brand, lowering their sensitivity to price, on the other. Each of these competitive marketing strategies has advantages and disadvantages. Their features are determined by the competitive advantages of the business, with one structure, and the features of promotion, on the other. One way or another, they are considered to be basic, and the very approach to their classification is classical. However, there are other ways to implement competitive marketing strategies. Let's consider them in more detail.

The entire set of competitive marketing strategies, according to F. Kotler, J. Trait and E. Rice, can be divided into six types:

• Offensive strategies;

• defensive strategies;

• Strategy of retaliation;

• Strategy of imitation;

• Judo strategy;

• Retreat strategy.

Offensive strategies imply the need to intensify the marketing activities of the firm in the struggle for markets. They are most often used by leadership contenders. This group includes several subtypes of competitive marketing strategies, namely frontal and flanking attacks, encirclement attacks, flanking and guerrilla attacks. The main goals of defensive competitive marketing strategies are considered to protect the business from entering the market of new players, to protect it from encroachments from competitors and to prevent the strengthening of the market position of new contenders for leadership. The main subspecies of this group of strategies are considered to be various types of defense - positional, mobile, shrinking, preemptive, flanking, defense with a counteroffensive. A retaliation strategy involves informing competitors that their actions will not go unanswered. The imitation strategy is focused on following the market leader, subject to refraining from risky decisions and maintaining the existing market share. Judo strategy is based on avoiding direct confrontation with competitors and using their strengths against themselves. It can be both offensive and defensive. Finally, the retreat strategy is based on winding up and winding up a business. As a rule, it is associated with a reduction in the market share as soon as possible in order to increase profits.

In marketing, as a rule, the following variants of a competitive strategy are used:

• expansionary strategy: it must be supported by its own significant potential, aimed at expanding market share (aggressive marketing), ousting a competitor from the market, increasing sales of goods, developing new regional markets, intensive counter-advertising;

innovative technological strategy: release of new competitive high quality goods, improvement of production and sales technology;

• pricing strategy: price competition, release of goods at a price lower than that of a competitor, study of the market reaction to price changes; ensuring the efficiency of production and distribution costs;

• commercial strategy: improving sales and distribution methods; stimulating sales through a number of incentive measures, organizing an intensive advertising campaign;

diversification strategy: the activity of an enterprise that traditionally acts in other markets, but tries to penetrate our market (conglomerate diversification);

• strategy of guerrilla warfare: selective price reductions, advertising attacks, new, non-traditional forms of selling goods, borrowing from competitors methods of organizing trade and marketing activities.

If the main strategic goal is superiority over a competitor, then the company solves two research tasks: an objective assessment of its own potential and the characteristics of the potential of a competitor. For this, the volume and structure of the sale of goods, prices, financial characteristics are studied. These data are supplemented by information about the management of the company, the propensity of the head to certain methods of competition. The analysis of competitors 'activities includes: studying the directions of competitors' product policy (structure and range of production and sale of goods, innovation process); studying the level and dynamics of competitors' prices; analysis of the organization of sales and sales of goods (trade and sales infrastructure, its development and placement, forms of goods circulation and distribution); assessing the financial condition of competitors. Here, quantitative analysis is often replaced by a qualitative one, as well as by approximate estimates. At the same time, a characteristic of the "human factor" is given: the image of the management, the qualifications of the marketing service workers, etc. An important role is played by a survey of consumers about their attitude to the products and brands of competitors, the existing preferences of the competitor's products. Direct observation allows you to assess the load on a competing company, the frequency of purchases, the nature of the service.

The problem of choosing the most appropriate competitive strategy is a rather difficult task that requires taking into account a number of circumstances. Thus, the choice of the most suitable competitive strategy depends on the capabilities of the enterprise operating in the target market. If it has outdated equipment, insufficiently qualified managers, employees, does not have promising technical innovations, but it does not have too high wages and other production costs are high, then the most appropriate strategy in this case is “cost orientation”.

If raw materials and materials are very expensive, but the company has good equipment, excellent design developments or inventions, and the employees are highly qualified, then it is possible to use a strategy to ensure competitiveness by organizing the production of goods that are unique or with such a high level of quality that will justify in the eyes buyers the highest bidder.

All types of competitive advantages of a company, depending on the complexity of their achievement, can be divided into two groups: low-order advantages and high-order advantages.

Low-order advantages are associated with the real possibility of using relatively cheap resources: labor; materials (raw materials), components; various types of energy, etc.

The low order of competitive advantages is usually associated with the fact that they are very volatile and can easily be lost either due to higher prices and wages, or due to the fact that cheap production resources can be used (or outbid) by the main competitors in the same way. In other words, low-order benefits are low-robustness benefits that fail to provide long-term competitive advantages.

It is customary to refer to the advantages of a high order: availability of unique products; use of the most advanced technologies; high level of management; excellent reputation of the enterprise.

If a competitive advantage is achieved, for example, through the release to the market of unique products based on our own design developments, then in order to overcome such an advantage, competitors need to either develop similar products, or offer something better, or get secrets at the lowest cost. All these paths are costly and time consuming for the competitor. This means that for some time an enterprise that has entered the market with a fundamentally new product finds itself in a leading position and out of the reach of competitors. This is true for both unique technologies and know-how and highly qualified specialists. They are difficult to reproduce quickly enough.

Another very important advantage in the market is the reputation (image) of the company. This competitive advantage is achieved with great difficulty, over a fairly long period and requires a lot of money to maintain it.

And so, it can be stated that quite reliable competitive strategies are those that are based on such strategic advantages as the uniqueness of the product (services, works) and leadership in its quality.

If we consider the main competitive strategies according to M. Porter, then it is worth mentioning:

Cost leadership strategy. Its meaning is to strive to become a manufacturer with low production costs for the production of products with the lowest cost in the industry.

Differentiation strategy. Its meaning is to strive for the differentiation of products and services to better meet the needs and demands of consumers, which in turn implies a higher level of prices.

Market niche strategy. Its meaning is to focus on the main market segments, to meet the needs and demands of a strictly delineated circle of consumers, either at the expense of low prices or high quality.

The main advantage of the innovation strategy is blocking the entry into the industry of competitors (for a certain period of time) and guaranteed high profits. The lack of substitute products and the high potential demand for innovation create a favorable market environment for the innovative company.

However, as experience shows, due to the high risks caused by the market's unwillingness to accept innovations, and in some cases by technical and technological imperfections and lack of replication experience and other reasons, 80% of these companies go bankrupt. But the prospect of becoming a leader in the industry, in the market and the associated economic advantages create an incentive for the development of innovative activities.

3.CONCLUSION

Enterprises implementing an exploratory strategy, as a rule, have highly qualified personnel, a project management structure, and a venture business organization at the initial stages of the innovation process.

The prerequisites for the application of such a strategy: lack of analogues (products, technologies, etc.); the presence of potential demand for the proposed innovations.

The advantages of an exploratory strategy are: blocking entry into the industry during the duration of the right to innovate; the possibility of large volumes of sales and obtaining superprofits. Risks of an exploratory strategy: great uncertainty about the commercialization of an innovation; the danger of imitation, rapid development of similar products by competitors; market unwillingness to accept innovation; lack of distribution channels for new products; design, technological and other flaw of the innovation.

In conclusion, we can briefly summarize: knowledge of the basics of general and strategic management, the main marketing strategies of competitors, their product, their principles of work in the market helps to increase the company's competitiveness and strengthen its strategic position.

4.REFERENCES

1. Bayazovna, G. N. (2020). Marketing communication strategy and its essence. *Вопросы науки и образования*, (1 (85)).
2. Hulkar, T., & Aziz, K. (2016). An analysis of export and import operations in bukhara region. *World science*, *4*(9 (13)).
3. Muhammedrisaevna, T. M. S., Bayazovna, G. N., & Kakhramonovna, D. A. (2020). Goal and objectives of integrated marketing communications. *Economics*, (2 (45)).
4. Narzieva, D. M., & Narziev, M. M. Development prospects of digital economy in uzbekistan.
5. Narzullayeva, G., & Dehkonov, B. (2015). The opportunities of development foreign economic activity in Bukhara region. *Scientific enquiry in the contemporary world: theoretical basics and innovative approach [L 26]*, *1*, 26-28.
6. Navruz-Zoda, B., & Navruz-Zoda, Z. (2016). The destination marketing development of religious tourism in Uzbekistan. *International Journal of Religious Tourism and Pilgrimage*, *4*(7), 9-20.
7. Oripov, M., & Davlatov, S. (2018). Current status and development prospects of livestock in Uzbekistan. *Asian Journal of Multidimensional Research (AJMR)*, *7*(12), 165-173.
8. Rakhmatullaeva, F. M., & Rakhimova, T. B. (2017). Small business in Uzbekistan as the factor of increasing the employment rate. *Экономика и социум*, (1-1), 12-15.
9. Tairova, M. M., & Hamidov, M. H. (2016). Administrative methods of marketing in entrepreneurship activity. *Интеграция наук*, (2), 25-26.
10. Urakova, M. K. (2019). Features of accounting processes of innovation and recommendations for its improvement. *Теория и практика современной науки*, (5), 71-73.